

STATE OF CALIFORNIA

MEETING OF THE
CALIFORNIA INSPECTION & MAINTENANCE REVIEW COMMITTEE

Monday, May 17, 2004
Department of Consumer Affairs
400 'R' Street
Sacramento, California

MEMBERS PRESENT:

NORM COVELL, VICE-CHAIR
PAUL ARNEY
DENNIS DECOTA
BRUCE HOTCHKISS
JUDITH LAMARE
MARK MARTIN
ROBERT PEARMAN
RICHARD SKAGGS
JEFFREY WILLIAMS

ALSO PRESENT:

ROCKY CARLISLE, Executive Officer
LYNN FORSYTH, Administrative Staff

INDEX PAGE

Introductions	3
Approval of April Minutes	4
Executive Officer's Report	4
EMFAC Presentation	10

AFTERNOON SESSION

EMFAC Questions and Discussion	111
Program Evaluation and Subcommittee Reports ..	193
Public Comments	208
Adjournment	212
Transcriber's Certification	213

P R O C E E D I N G S

VICE-CHAIR COVELL: Good morning, everybody. My name is Norm Covell, the vice-chair of the I&M Review Committee. I'll be chairing today's meeting in the absence of Vic Weisser.

To begin with, we'll do a roll call. Introductions. Mr. Skaggs.

MEMBER SKAGGS: Richard Skaggs, speaker of the House of Representatives.

MEMBER MARTIN: Mark Martin, representing industry, appointed by the Governor.

MEMBER WILLIAMS: I'm Jeffrey Williams, the (inaudible) social scientist.

MEMBER DECOTA: Dennis DECOTA, representing industry, California Service Station Automotive Repair Association, and a Senate appointee.

VICE-CHAIR COVELL: Mr. Pearman.

MEMBER PEARMAN: Rob Pearman, public member.

MEMBER LAMARE: Judith Lamare, appointed by Senate Rules and I'm an environmentalist.

MEMBER HOTCHKISS: Bruce Hotchkiss, I was appointed by the former Speaker.

MEMBER ARNEY: Paul Arney, public member appointed by Governor Gray Davis.

VICE-CHAIR COVELL: All right, thank you.

— o0o —

The minutes of the April 27th meeting under tab one, these were emailed to members prior to today's meeting. I assume you've all reviewed them and I'd like a motion.

MEMBER LAMARE: A lot of typos.

COMMITTEE MEMBER: The typos were fixed, yes?

COMMITTEE MEMBER: I'd move approval.

VICE-CHAIR COVELL: I have a motion. Do I hear a second?

COMMITTEE MEMBER: I'll second that.

VICE-CHAIR COVELL: The motion is seconded to approve the minutes of the April 27th meeting. Any opposition? All right, the motion carries.

— oOo —

Okay, item number two is executive report. Rocky?

MR. CARLISLE: Good morning, Mr. Chairman. Since I don't have a microphone at that table, I'll give my report from this podium only because some people can't hear if I don't.

A couple things. At the last meeting there was a number of requests from the committee, one from the chairman wanting information relative to unregistered vehicles from primarily CHP and what enforcement procedures were being undertaken to enforce registration programs, and so I've contacted

CHP, and on April 10th they actually implemented a new program where there's a website page you can go to now and report vehicles that are unregistered to the department. It's kind of unclear on the website exactly what action they'll take, but it does indicate they're going to take a positive enforcement action against anybody that has an out-of-state vehicle that's not registered in the state or an expired tag.

Another question was with regard to repair costs in the State of California as compared to other states, and so I've requested information from a couple different states, one is Colorado and one is Arizona. I haven't received any information yet, but that should be forthcoming.

The other day Norm Covell and I met with the ARB and BAR to discuss information as far as data and data analysis, and one of the questions asked by the committee last month was whether or not we can piggyback any surveys with existing surveys that BAR is doing, and while that's a possibility, it's not a guarantee at this point because it really depends on the focus of the survey that BAR is going to do. Their surveys are going to be done basically on remote sensing.

Another question asked was with regard to contracts and contract availability, and essentially as it stands right now, there's no funding left for

any contracts, so Norm is going to discuss that, I think, later on in the meeting.

Some of the other activities have included the work with the subcommittees, we've had a number of subcommittee calls this month. We're trying to get data and move the subcommittee reports forward so we can have the report by December 2004.

And that pretty much concludes the report.

VICE-CHAIR COVELL: Thank you, Rocky. Any questions, comments? Mr. Skaggs.

MEMBER SKAGGS: Rocky, when you spoke with the highway patrol did they give you a number what they thought the amount of tags or out-of-state tags are in California?

The other one is the ones that are in default. You know, some people may have the stolen stickers. What do you call that when they have the forgery?

MR. CARLISLE: The renewal tags that go on the license plate?

MEMBER SKAGGS: Yes, renewal tag but they had a name for it and I forgot the name, but they claim that there's a lot of those. Did they give you any indication how many or what they thought?

MR. CARLISLE: No. What I've been basing all the information off so far is the CCERT report we received a couple months ago from the Bureau of

Automotive Repair. That was done a couple years ago, but that indicated that at the two-year period of time it was less than one percent, but as the chair pointed out last month, even one percent of twenty-three million is a lot of vehicles, so that's why the committee wanted to pursue this other avenue.

MEMBER SKAGGS: Yeah, it was on the Internet or one of the things where it was counterfeit stickers, they get counterfeit stickers is what I was trying to say. Thanks, Rocky.

MR. CARLISLE: You're welcome. One thing I might point out. If they do find it's counterfeit for up to ten years, they can only go back three years because after that they purge the data.

MEMBER SKAGGS: They can only go back three years?

MR. CARLISLE: Yes, as far as fines against the perpetrator.

VICE-CHAIR COVELL: Okay. You asked a question too about out-of-state licenses that are in California and not paying any fees within the state?

MEMBER SKAGGS: No, there's some, I think Charlie Peters brought it up some time ago that especially at the rental companies, U-Haul, people like that come in and they have those vehicles are here in California, they rent them out throughout California and they never leave California.

VICE-CHAIR COVELL: Okay. No, we're aware of that issue. I thought you were asking a question about the total number of out-of-state vehicles in the state that are here regularly that don't pay fees.

MEMBER SKAGGS: That's a good question too, Mr. Chairman.

VICE-CHAIR COVELL: If you didn't ask it, I don't want to ask it.

MEMBER SKAGGS: Well, why don't you ask that question?

VICE-CHAIR COVELL: Because I don't think they'd have an answer to it.

Mr. Martin?

MEMBER MARTIN: Yes. Doing a little bit of checking with U-Haul, they classify their fleet and they have it segregated into two groups; they've got local and then they've got one-way, and their one-ways are not supposed to be rented local, they're not supposed to return to the same site. However, it seems that most of their one-ways travel one way within the State of California.

As far as getting a percentage of U-Haul's fleet and whether or not it is California licensed or licensed out of state, I don't have any of that preliminary data. I've only been to one site and got a little bit of information from one of the employees, so as I obtain more information it's not necessarily a

scientific survey, it's something that I'm doing on my own out in the field.

So there is a difference within U-Haul in classifying some of their vehicles. If they are used and rented locally, then they are registered in the State of California.

MEMBER DECOTA: I think Charlie Peters' issues, too, was UPS and some of the other big fleets, but most of those I think are apportioned, you know, heavy trucks that have multiple state license and they apportion the revenue between the states based on its use.

MEMBER MARTIN: I've got some personal information with UPS. I happen to have UPS under contract and I cover the State of Nevada as well as California, and if we've got vehicles in that fleet that are coming into California, they are smog checked under California's rules and they're not apportioned, they're dual licensed.

MEMBER DECOTA: Okay.

VICE-CHAIR COVELL: All right, any other questions, comments of Rocky?

All right, Rocky, thank you.

— oOo —

Moving on into item number four. We're going to spend a large portion of our time today in a discussion, some presentations and discussion of the

evaluation report and what the subcommittees will be about, but before we do that, as a part of item number four we have asked for a presentation of the technical report, the background, the technical information and data that went into the latest evaluation of the program by California Air Resources Board and the Bureau of Automotive Repair. Most of the technical work provided for that report was done under contract to the state by Sierra Research, and the report that you have, all of you, was put together by Air Resources Board based on the technical data and information that was provided in the report from Sierra Research.

So what we will hear today is a technical report, kind of a technical analysis work that went in behind the scenes to develop the data that resulted in the conclusions that we have in the evaluation report, and I'm going to introduce Mr. Bob Fletcher with the California Air Resources Board who will begin this presentation, and he has a few staff from CARB with him today that will be a party to the presentation as well.

I understand in talking to Mr. Fletcher before the meeting that he would like questions from the committee during his presentation, so feel free to interrupt the presentation if a question you have comes to mind. As far as the public that's here

today, we will hold questions until the completion of the presentation.

I suppose I'd better move.

MR. FLETCHER: Thank you, Norm. I assume the microphone is on and you can hear me. As Norm said, my name is Bob Fletcher, I'm chief of the Planning and Technical Support Division at the Air Resources Board and our division is responsible for doing a lot of the calculations related to benefits estimates, so what we'd like to do today is to walk you through how we did the calculations for the report and try to answer any questions that you may have about how we did it or what assumptions that we used.

On my left is John Taylor, also with the Planning and Technical Support Division, and Mark Carlock, who many of you, I'm sure, already know if you don't already know John as well.

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I'm pleased to be here. This is the first time I've been in front of this committee so I hope that it's a pleasant experience for us all. Any time you're dealing with the EMFAC model it's always a challenge, but what we would like to do is walk through basically what we used as the basis, some of the assumptions and adjustments that we have made, and then look at how we did emission estimates and how we calculated cost effectiveness. Those are really the

elements that EMFAC plays a large part in, and we'll try to walk you through what that is.

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The basis for estimating emission estimates is really dependent upon the data sources that we use. The core of our analysis is the EMFAC model. This is basically a mathematical model that has a number of assumptions built into it. The core of it, particularly for the light duty fleet, is a series of laboratory vehicle test data that we have run over a number of model years a number of tests, but what it does is it basically takes emission factors times vehicle activity to give us emissions. It's a very detailed model and we'll walk through a little bit of that today just to sort of set a foundation for you.

We also use BAR's Smog Check vehicle information database. A lot of the assumptions that we use come from this database. The roadside testing also is an important element of the calculations, and then finally we are dependent upon the DMV data to give us vehicle population information.

MEMBER LAMARE: Bob.

MR. FLETCHER: Yes, ma'am?

MEMBER LAMARE: Do you use the DMV data to tell you the VMT per year per model year?

MR. CARLOCK: We use the DMV data to give us population. We use Smog Check data, actually, the odometer readings to give us annual mileage.

MR. FLETCHER: That's a good question, Jude, and what I would encourage people to do is to ask those questions as we go along. Again, the purpose is to make you comfortable with what it was that we have done.

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The EMFAC model, basically again driven by empirical data, test data, other types of information that's collected over time. The benefits for Smog Check was added to the model in 1980. Since then we have made a number of revisions both to the model and to the benefits assumptions. The last major revision we did on EMFAC was done in 2000. We made a few minor changes subsequent to that, which brings us to the model that we have right now which we refer to as EMFAC2002.

We have now gone to a system where we do not make changes routinely to the model. We were finding that it was causing a lot of difficulty because we kept changing versions and nobody was really sure where they were at, so what we have done now is we basically are queuing up changes to the model so that we have basically one model, and then we will queue up any technical changes that need to be done and then

incorporate those, usually in concert with development of the State Implementation Plan.

The next revision of the model we're looking at making somewhere in mid-2005 in anticipation of the 2007 SIPs that we'll need. We always need to roll the model back a ways to make sure that the modelers can do their thing prior to the release of the SIPs.

We do routinely update the model for activity changes, so there is the technical part of the model that has things like vehicle population, emission factors, those sorts of things. When we get data from transportation agencies on activity, that is not considered to be a change in the EMFAC model itself, which must be approved by U.S. EPA, but rather simply incorporating the latest assumptions on vehicle activity.

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So again, the pretty basic information here. Tons per day emission rate times vehicle activity. We do get emission rates from vehicle testing, and we go through fairly detailed corrections for speed, for temperature, humidity. We try as best we can to approximate real world conditions, but it is in fact an estimate, it is an approximation of that.

Activity, population from DMV registration.

Yes?

MEMBER LAMARE: I understand when you use the model to estimate emissions you'll do so for, say, for temperature in a month, which will cause changes in what the emission factors are because weather affects emissions and that's part of the dynamic character of the model; isn't that right?

MR. FLETCHER: That's correct. We do estimates for basically summer conditions, for winter conditions, and then we have an annual average, so it's always sort of important when you're looking at emissions data for motor vehicles to recognize whether you're doing a summer inventory, which is what we use for ozone SIPs, and winter inventories which we may use for carbon monoxide SIPs.

Norm, do you have a question?

VICE-CHAIR COVELL: Yeah, Bob. On that same line, are your summer inventories run giving recognition to the variety of conditions that exist around the state in the summertime? You know, we've got this San Joaquin/Sacramento Valley here which is a real hotbox and that has an impact on the boil-off of canisters and so on even at night when you aren't even driving your car and it's sitting in your garage, as opposed to what's going on in the Bay Area in the summertime, whether it be like a fog over the area a lot of the time that we're producing ozone over here,

so I'm just curious if you're able to tweak it for those kinds of considerations as well.

MR. CARLOCK: To answer your question, when you select a month or a season, in general what you get is a change in the ambient conditions, not in vehicle activity. Because that's provided from outside agencies, they tend to run kind a year annual average activity. So if you're asking whether we're reflecting the seasonality of the traffic, we don't. We do, however, reflect different ambient temperatures and humidity and, because of that, air conditioning use and so forth.

MEMBER LAMARE: By region.

MR. CARLOCK: By region.

MR. FLETCHER: Actually it's by county, I think, is it not?

MR. CARLOCK: By county or subcounty.

MR. FLETCHER: The model basically does estimates for counties, for air districts and for basins, so there's a lot of different areas that we're trying to deal with and aggregate in the model.

As we mentioned a minute ago, the mileage accrual actually comes from BAR, and then speed and VMT we get from the transportation planning agencies. And speed are simply the average speeds within the county that we use to make speed correction factors on emissions.

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The emission factors are based on vehicle testing, as we mentioned. Deterioration is clearly an important consideration here, obviously very important in the Smog Check Program. This is a representation of the deterioration rates that we use for light duty vehicles, this happens to be for hydrocarbons as a function of the odometer readings. So these are built into the model and are calculated out for each year that we're dealing with.

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Adjustments to the model are also made to incorporate new vehicle standards. As you can see, from basically the mid-seventies on there have been a number of changes. This graph reflects hydrocarbons and NOX levels down to the LEV II standard, so we're reflecting almost a 99 percent reduction in the zero mile emission rate, which is how we make the adjustments for emission factors, and then deterioration is built in on -

A technical adjustment here.

MEMBER DECOTA: Oh, thank you.

MR. FLETCHER: I thought there was something missing on the bottom there. Thank you.

[new slide]

In the light duty test vehicle program we've covered almost 5,000 vehicle tests covering basically

all model years. We test them under different cycles to reflect driving conditions. Again, this is a representation of the real world. We then conduct laboratory measurements of the pollutants using standard methods to measure the pollutants, and then we augment this with U.S. EPA's vehicle test data, which is quite extensive as well. So this forms really the foundation for the model on the emission factor side.

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When we incorporate the Smog Check Program into EMFAC, and essentially this plays into many of the assumptions that go into EMFAC, we are trying to anticipate what we think will happen in the future, so when we build flexibility into the model in terms of how you run the model to be able to run different scenarios, we're trying to in some respects guess what's going to happen in the future, and as a result of that, we're not always allowed to, or we don't always build in the types of flexibility that we would like to have in order to run all sorts of different 'what if' type scenarios.

Those first four bullets up there are the hard coded assumptions in terms of how we thought the enhanced program would evolve. We have built into it 15 percent to test-only. We have the original enhanced geographical areas. We have for heavy duty

just the two-speed idle test, and we do not have a low pressure evaporative test built into the model. We have built in some choices which allows you to run ASM or two-speed idle, and inspection frequency either biennial or annual.

Why this is important is that what we then use is the EMFAC model to do basic calculations, but sometimes we have to then make assumptions outside the model in order to estimate what the benefits are, and that's what we're going to walk through for you today, because some of the assumptions that are in the I&M report were not done using strictly EMFAC alone, there were other changes that we had to make to reflect the differences in program.

MEMBER DECOTA: Bob, on the 15 percent of test-only, is it accounting for the additional test-onlys that are being sent up and above the 15?

MR. FLETCHER: No, not yet, and we will walk through later in the presentation how we do that, how we make those adjustments. This is simply what is in the EMFAC model today. As I mentioned, we don't routinely make adjustments until we go through a major revision, so these would be, you know, the changes that we'll talk about in a few minutes will get rolled in, they are not there now, which requires us to do some assumptions and calculations, what we call sort of off model or outside the model as it exists today.

MEMBER DECOTA: Thank you.

MEMBER WILLIAMS: I have a question. I'm puzzled why this is hardwired into the – or hard coded into the model and why it isn't one of the things that you can turn on or off in the same way that you can do summer versus winter. Why not say what happens if in an enhanced area there's a different test and turn it off, right?

MR. FLETCHER: Yeah, it's simply a coding and resource issue. We do have a contract right now where we're going to – in fact, we just issued it within the last week – that will provide us additional funds to do the coding that is necessary to build in those sorts of assumptions. We have a module that allows you to make some 'what if' type analyses, but it's just not very robust at the moment, so it's simply a resource issue.

And part of it is trying to guess, you know, what you want to do in the future. That's true not only for the Smog Check Program but for lots of other elements of EMFAC as well. You're trying to anticipate what sorts of 'what if' scenarios people want to run in the future. Sometimes we're right, sometimes we're not.

MEMBER SKAGGS: Bob, on the heavy duty testing, is that going to be 8,000 pounds or less or over 8,000 pounds?

MR. FLETCHER: It will be up to 9,999, I believe.

MEMBER SKAGGS: Also, on the testing -

MR. FLETCHER: For ASM testing will be up to -

MEMBER SKAGGS: Also, I know the Air Resources Board has teams in the field where they do opacity testing. Are they going to continue that?

MR. FLETCHER: Yes, yes.

MEMBER SKAGGS: And the third and last question is that on the heavy duty, how many tons a day are we going to gain by bringing that into the program, hydrocarbons, CO, NOX?

MR. FLETCHER: We'll cover that in a few minutes.

MEMBER SKAGGS: You will?

MR. FLETCHER: Yeah.

MEMBER SKAGGS: Thank you.

MEMBER DECOTA: Bob, on the two-speed idle test, do we have any type of information as to regards of the effectiveness of a two-speed idle test in the ASM, the overtesting or in the basic areas that may have just an idle test, as far as the amount of reductions that are afforded us in that study or assigned to that and that I could get as a committee member so that I have that portion in my work

portfolio? Mark and I, we'd love to have that type of information.

MR. FLETCHER: Yes.

MEMBER DECOTA: Thank you.

MEMBER LAMARE: Bob, just for the benefit of those here who aren't engaged in air quality planning, I just want to mention that a major purpose of EMFAC is to give local districts a picture about what their emissions are and what their task (inaudible) for air quality attainment, and so in my mind the reason for the hard coding certain assumptions about Smog Check is that this is our assumption about what Smog Check is getting and your district, this is what your inventory is of vehicles.

And so while the Air Resources Board can use this model for a variety of 'what if' scenarios, there is a very specific air quality purpose being performed for the districts where they need to say what the assumptions are and (inaudible).

Is that a correct statement about why those things are in there that way?

MR. FLETCHER: Well, it's pretty much correct. We do like to provide, and actually the districts and the transportation agencies like to have flexibility in the model so that they can look at what the impact of different types of strategies might be. So to the extent that they have some flexibility, and

actually, John will attest to the fact that he would love to have a little bit more flexibility because he ends up running a lot of these off model adjustments to try to answer questions that you folks and others raise.

So it isn't hard coded so much to ensure that nobody else can change it, but simply to reflect the kind of default assumptions of the model. So you are correct that we do want, if you're going to go and do a different scenario, it has to be required by state or a local agency before you can adjust it. You just can't arbitrarily change the model to get whatever information that you like, so we do try to make it clear what the basic model is.

MEMBER PEARMAN: Going back to the light duty vehicle test program, the 5,000 vehicle test. Is that at each revision, every year, is that cumulative for the life of the model, where does that come from?

MR. FLETCHER: It's cumulative for the life of the model and it increases every time that we do another series of testing.

MR. CARLOCK: It's 5,000 vehicles, not 5,000 tests. There's multiple tests on those vehicles.

MEMBER PEARMAN: And do you make an effort to cover every model and make that operates in California?

MR. CARLOCK: Yes.

MEMBER PEARMAN: Thank you.

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MR. FLETCHER: Okay. Certainly, there are a number of factors that affect the I&M benefits, you know, pass or fails, function of the cut points, the test type, failure type, technology, mileage, level of repair to the repair cost limit and the station type. All of those have to be considered when you're looking at the benefits of the program.

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This is a chart I think many of you have probably seen multiple times. Tom Cackette claims that it's his favorite chart of all the charts that he has. It basically just shows the benefits of how we incorporate, you know, the concept of incorporating Smog Check into the EMFAC model, that with subsequent inspections what you're trying to do is to take the model off the theoretical deterioration and bring it down to where the emissions ought to be, and with each subsequent inspection you get closer and closer to that line, so this sort of represents how we conceptually do the benefits within the model.

VICE-CHAIR COVELL: Bob, are we talking about two years between the sawteeth there, are we talking about a failure the first time and then a subsequent test early because of the repairs?

MR. FLETCHER: Two years.

MEMBER WILLIAMS: I have a question along these same lines. It seems that a crucial section in the model is how accurate is the reading at, say, a test-only facility – and I don't mean to distinguish here – are we getting a lot of false positives or false negatives. So there must be some assumption about the relationship between the laboratory experiments and what's happening in an actual Smog Check. Could you elaborate on what's being assumed there?

MR. CARLOCK: Those assumptions are empirical also. What we do is we bring in a representative group of vehicles and those vehicles we make the determination in the laboratory what their emissions levels are, then we randomly send them to Smog Check stations. Some come back properly diagnosed, some come back misdiagnosed, but what we have is the distribution of what happens to vehicles when they go to Smog Check stations.

MEMBER DECOTA: Mark, you probably know this. In the BAR 90 program we were penalized for false failures and false passes. In the new I&M program what type of false failure rate are you experiencing in the program today and how do you determine that from the standpoint of assigning value to it?

MR. CARLOCK: Again, the determination is empirical. It's just, you know, it's whatever happens to the vehicle when it comes back. We test it before it goes out, we test it when it comes back.

As far as what the definition of a false failure is, we labor under a couple different assumptions. One is, if you fail a vehicle that is at its standard, we believe that that's a false failure. But another definition is, as long as you can get some emission reduction from that vehicle, it is not a false failure. If you use the latter assumption, then the errors (inaudible) are very low in the program.

MEMBER DECOTA: And are you also sending not only out to the industry's test-and-repair or are you sending vehicles back to test-only to help develop the amount of ping-pong that's occurring at test-only?

MR. CARLOCK: The ping-pong we actually did in just the laboratory setting, because it's very difficult to do that empirically, so we play Smog Check in our laboratory so we have a group of mechanics where we send them the car with no other information and they either make a pass or fail determination, and we allow it to ping-pong back and forth between being tested and then sent back. That is, every time they make a determination (inaudible) fix, we will do another test on the vehicle. If it still exceeds the standard we send it back to them,

and then that way we try to figure out the ping-pong rate (inaudible).

MEMBER DECOTA: Is there any methodology afforded in the model that has anything to do with the performance of test-only when it comes to false failures or false passes?

MR. CARLOCK: Yes.

MEMBER DECOTA: Please.

MR. CARLOCK: Please elaborate? Again, what is built in is, we looked at the program as we thought it was going to be at the time and simulated down to the cut points, down to the cost limits, down to who was going to go to test-only and test-and-repair. This was all a grand experiment that came back and said if you try to fail a vehicle that is, for example, meeting its standard, this is what happens. If you try to fail a vehicle that's at twice its standard, this is what happens. So we were able to divide the fleet into very small chunks and get a probability of what happens under any type of situation, so we have a set of probabilities that are associated with test-only, we have a set of probabilities that are associated with test-and-repair, and those probabilities change depending on what cut points you set.

MEMBER DECOTA: And they would also change by volume of testing, right?

MR. CARLOCK: Yes. Well, it's a shifting. The more you shift over to test-only, the more it changes.

MEMBER DECOTA: What percentage of vehicles today are being directed in the model, you say 15 percent?

MR. CARLOCK: It's 15 percent.

MEMBER DECOTA: But in actuality what would you say the average?

MR. FLETCHER: It will be 36 percent. I think what we'll get to in a minute is when we did the calculation for 2002 we assumed 20 percent.

MEMBER DECOTA: Are those cars subject to Smog Check or are those vehicles in the fleet?

MR. FLETCHER: Those are the number of vehicles that are directed to test-only stations.

MEMBER DECOTA: I understand that, Bob, but my question to you is, there's a formula that has been given to us by BAR and others that basically states that in reality we're seeing 50 to 70 to 80 percent of vehicles sent to test-only in different markets, depending on probably the income, that type of thing in those marketplaces.

I need to understand, you know, what type of weight is given in the overall testing and reduction issues on test-only versus that that are being attained by test-and-repair.

MR. FLETCHER: We're not adjusting for that right now.

MEMBER DECOTA: I know.

VICE-CHAIR COVELL: Dennis, can I ask you a question there? On those figures you were throwing out there, are you saying those are the percentages that are directed there or are those the percentages that come back to BAR that have been tested at test-only stations?

MEMBER DECOTA: I have areas throughout -- municipalities, areas and members throughout the State of California that perform in the enhanced areas, and they are reporting to me that their average testing revenues have fallen from 50 to 80 percent, okay, and those are directed vehicles, they're not getting those vehicles.

I'll give you an example. A test-only recently opened in my own home town, one of my members opened it. All right. He's doing 15 times the testing that he was when he was a test-and-repair station.

What I'm saying is it's skewing the numbers. Are the test-and-repair people who we have, in my opinion, incentivised to reduce the problems with the vehicles and improved the air quality, are they being forced out by an overzealous amount of vehicles being sent to the test-only system?

VICE-CHAIR COVELL: I understand that issue, but in order for us to get a real handle on the problem, you really didn't answer my question. You say that they're losing test-and-repair business because they're being directed. People go to test-only because it's convenient, because it may cost less, and I think the bureau would tell you that there is a percentage, I'm not sure what it is, of cars that end up going through this process of test-only when they hadn't been directed there, they went there voluntarily, so that takes away from test-and-repair as well when a car owner makes a decision to do that, but I'm not sure everybody going to test-only has been directed to do so.

MEMBER DECOTA: It would be nice to see those type of numbers.

VICE-CHAIR COVELL: Yeah.

MEMBER DECOTA: But also, I don't agree with your statement that test-only is less expensive, because in the Bay Area it's not at all.

MR. FLETCHER: Well, let me comment on that just a little bit. As we developed EMFAC and as we developed the assumptions in EMFAC, it's our objective to try to best represent what's happening in the fleet. If there are more vehicles directed to test-only than what the regulation requires, that's a piece of information that we would want to evaluate

and would look at, and we would also want to look at the effectiveness of repairs in that, because both those factors weigh into the decision.

So, you know, we're always looking and now is a good time to revisit issues where people have concerns about how the model's operating, and what we're trying to do today is to make sure that you folks have an understanding of what is in the model and how it operates so that if you have issues or concerns that we ought to be looking at as we go through and modify, you know, look at EMFAC for the 2005 release, those are the sorts of areas that we can revisit.

MEMBER DECOTA: Right. And Bob, I've been on this committee since '93 and I remember some problems with the EMFAC modeling before, and if you're underestimating the amount of testing done by one part of the industry, you're underestimating by 300 percent, how much does that skew the rest of the issues that you're presenting here today?

MR. FLETCHER: I think that, you know, I don't know the answer explicitly to that because it's a combination of factors that the numbers roll out on, so all of those have to be re-evaluated if that is the case.

MEMBER DECOTA: Thank you.

MEMBER WILLIAMS: May I ask one?

MR. FLETCHER: Dave showed up.

MEMBER WILLIAMS: May I ask a question on the graph that's up here because it is an essential one?

MR. FLETCHER: Yeah, can I hold that for one second -

MEMBER WILLIAMS: Sure.

MR. FLETCHER: - while Dave weighs in on this issue, which is his favorite topic, I think, I'm not sure.

MR. AMLIN: I just wanted to respond to Dennis's question. We provide the empirical data in terms of the numbers and things like that to the Air Resources Board for making these calculations in terms of what the numbers means, and I assume that's your thing, how do you calculate that as part of the fleet versus a portion of inspections, and depending on what you divide the number by, of course, that's when you come up with different percentages.

I think I've stated it before, we calculate when we say 36 percent, I guess the way we always have, and that's when you take the oldest vehicles in a program and newer in the enhanced areas, that's what we take the 36 percent out of.

In terms of portion of vehicles (inaudible), a higher proportion of those, because not all vehicles go through a biennial inspection. Some vehicles also

get off-cycle inspections for change of ownership or registration.

So it's 36 percent in this case of 1976 and newer vehicles. It's about half of the renewals. It's about a third of the inspections. So to say in an enhanced area to get -- I'm not sure what the number is today, but it's probably, we'll say it's 9 million, so it's about a third of those are cars that were directed, so that's a little less than 36 percent; if you look at renewals it's more than 36 percent.

So, in any case, we provide the direct information to ARB so that they can go ahead and make those kinds of corrections and so they really do understand the number of vehicles, and so that's all (inaudible).

MEMBER DECOTA: Well, David, they don't, because you're -- let me ask you this question, Dave, and you would know this, all right? I know.

Take out the Bay Area because it's the most recent member of the enhanced program. Would you state in your opinion that the rest of the state, in your math, okay, and how you're determining this --

MR. AMLIN: There's no --

MEMBER DECOTA: -- are we at 36 percent or are we not at 36 percent?

MR. AMLIN: Actually, everything I just stated really wasn't counting the Bay Area. If you

count the Bay Area all those numbers are actually lower.

MEMBER DECOTA: I said don't count the Bay Area.

MR. AMLIN: Right. Everything I told you is really pre-Bay Area. With the Bay Area, all those numbers would be lower, lower than 36, lower than a third, lower than half, if you count the Bay Area.

MEMBER DECOTA: And that's using the formula that you direct by?

MR. AMLIN: Again, the number you direct, you can divide it by anything and that's what it is if you divide it by those numbers. (Inaudible)

MEMBER DECOTA: I usually understand math.

MR. AMLIN: If you divide it by the number of cars that come up biennial. Again, you can divide it by anything and I've heard numbers where people say different things. Again, it's kind of a hard number to (inaudible).

MEMBER DECOTA: Are you stating that certain areas of the state couldn't have 80 percent directed vehicles?

MR. AMLIN: Oh, there's no area of the state with 80 percent directed vehicles.

MEMBER DECOTA: Okay, thank you.

VICE-CHAIR COVELL: Along this topic, before we go on, Rocky just handed me the, I guess it's a

report here for vehicles to the program for the fiscal year 2002/2003. That would be July 1, 2002, to June 30th, 2003. As I read it, all tests total 12,860,462. First tests at test-only stations, 3,376,284, that was total tests at test-only. Of that total at test-only, directed vehicles, 2,036,504.

So as I would understand it, that's 2,036,504 vehicles out of 12,860,462 that went through the program during that fiscal year.

MR. CARLISLE: I need to explain that's statewide, though.

VICE-CHAIR COVELL: Statewide.

MR. CARLISLE: Yes, so you'd have to reduce that number of total vehicles by (inaudible).

MEMBER WILLIAMS: I'd like to ask a question about this diagram, which I understand is just illustrative, but I want to know what's actually going on in the model. The way you've got the little white lines drawn is that after there's been a first inspection the rate of deterioration is faster because the slope is higher than the red line.

MR. CARLOCK: You're reading too much (inaudible).

MEMBER WILLIAMS: But what's in the model. But even deeper is this assumes a rate of deterioration. I can imagine many situations where with increased mileage the chance of a catastrophic

failure increases, and once you're in that situation there's a lot of grams per mile until it's inspected and then it's fixed forever, and that seems to me a very different way of capturing the probabilities here. I'm curious what's really in the model.

MR. CARLOCK: I tried to make that line parallel. Okay. First of all, theoretical deterioration is actually theoretical because we don't have a fleet of non-I&M vehicles to look at anymore, okay. So if you were to follow this illustration, what you've got is a fleet of vehicles, not a single vehicle - let's do that first - that go along merrily deteriorating until they encounter their first inspection. The model assumes that there is within that fleet of vehicles some fraction which will fail and undergo repair, so that first step is your reduction associated with failure and repair. Afterwards, you have what should be parallel deterioration out to your next inspection.

And the things that you're supposed to take away from this are that the steps get smaller, but the steps get closer together, and those are two different things going on. One is, you should find your worst actors pretty quickly and they should not become very bad actors again, so your steps get smaller within the same group of vehicles. The reason they get closer together is because you tend to drive less as your

vehicle gets older; therefore, the inspections seem to come closer together from a mileage sense. So while this is simply an illustration, this is kind of accurately what goes on inside the model.

MEMBER WILLIAMS: Thank you.

MR. CARLOCK: You're welcome.

MEMBER SKAGGS: I have a question on this chart also. On the first line to the first inspection, do you figure out how many pounds of hydrocarbons, CO, NOX that you could save if that was closer or is there a way that they could keep that vehicle clean from the first time to the second inspection, did you figure out how many tons or pounds?

MR. CARLOCK: You mean if deterioration was not parallel, if it was lower or if the inspections were closer together?

MEMBER SKAGGS: Okay, let me give you an example. I tested two 1999 Ford Expeditions (inaudible). Now I'm doing the same thing with two Kias that we had here two months ago that were ran through the remote sensing and when they were testing it was a little different because of their machine. But for example, on the hydrocarbons were 920, NOX, the minimum was 8-something.

On this particular vehicle the NOX was only like 2 percent and the hydrocarbons were down like

around 7 or 8, so the deterioration of this 1999 Expedition was almost at zero, and I went to the Air Resources Board and talked to Tom Cackette about this and showed him some of the results on this because we're testing a product, Omstar (inaudible) that the Air Resources Board tested in diesel. Well, it did much better in gasoline, but of course they had other things they wanted to look at.

But these particular vehicles now I'm doing a fleet test with eleven vehicles, these vehicles are staying clean, so if there's somebody out there that has something, the least the Air Resources Board should do is look at it and see what we could do, because this has been going on since I've been on this committee since 1994 right after Dennis. Many times not only myself but other committee members have asked the Air Resources Board. In fact, three months ago I asked Tom again and the Air Resources Board and Dr. Kasar came in here and gave the report and said let's take a look at it, and that was 1999. Of course, they had some fuzzy numbers on other things, plus they left that whole report out.

So if there's something that is out there that the Air Resources Board has any knowledge at all, they should at least share this with the public instead of hiding it from the public or saying it doesn't exist or use fuzzy numbers to make the numbers

look higher. And I'm looking at these numbers up here and I'm very upset when I see how high the emissions went up when the private sector went out and said let's try and see if we can find things out there, and the Air Resources Board in fact hides data.

So, you know, to comment on that, I've talked to you about this. It's time that we started looking at ways that we can clean up. I've been here listening to the Air Resources Board and looking at their fuzzy numbers and I'm really at the point that I'm thinking, what are we doing? What are we doing?

MR. CARLOCK: Well, I can at least comment on the slide.

MEMBER SKAGGS: I know, but you know, when I saw that slide -

MR. CARLOCK: Well, what I want to point out is that this is not saying that an individual vehicle will deteriorate in this way. This simply says that in the fleet, after the first inspection, even if you fix vehicles, they will be vehicles that you didn't address that next time you see that fleet there will be vehicles that fail, so it doesn't preclude your statement being true, that the vehicle gets fixed and it stays low, but there are other vehicles that become broken between inspections, so the model does take into account that if you were to have more frequent

inspection you would have a shallower increase as far as the fleet emissions at any given time.

So I'm simply trying to explain that that isn't a single vehicle that you're looking at, and that's never assumed as a single vehicle, but it's a fleet of like vehicles.

MEMBER SKAGGS: Well, I don't want to argue the point, but I've seen this when the City of Los Angeles gave the Air Resources Board eleven vehicles from their own fleet and tested the product and it lowered all the emissions and gave back 4.4 in mileage. It took Gray Davis, Controller Gray Davis, three years to get the report and the taxpayers paid a half a million dollars, and now you're showing us that we have increase in emissions, and the Air Resources Board has even last week when people asked about these things, that if there's cost-effective ways to clean up California. I work with a group of car people, farmers who have to get C&G and they're breaking down in the field because Air Resources Board says there's no way to clean up gas and there's no way to clean up diesel, we have to go with alternate fuel. And then we're looking at these numbers and apparently we're not cleaning up.

MR. FLETCHER: Let me just jump in here and indicate that what you're asking is more a policy-related issue that probably needs to be taken

up with others besides us. You know, I can assure you that data that we have is available. I certainly am not aware of any information that we are in any way hiding. One of the things that we're trying to do today is to present to you the information that we have and the basis of the assumptions, and to the extent that you have concerns or issues associated with those assumptions, I'm personally very much interested in that because we are in the process of looking EMFAC in general and are very much interested in data.

I will tell you that we get lots of data from different sources and it's our challenge to try to bring all of the data together to try to make representations of what we think the fleet is doing.

MEMBER SKAGGS: I appreciate that, but I look at these numbers, I look at the price of gasoline today and I look at these poor farmers and other folks who are saying they have to buy (inaudible) diesel that's not even available at 17 cents a gallon, and they're looking at other things that are so high now, and I'm looking at how many tons we could have saved if the Air Resources Board would have been doing their job way back when. So I'm sorry to take it out on you. I'll talk to you afterwards.

MR. FLETCHER: I'd be happy to do that. I do have experience in the fuels program as well, so I'd be happy to talk to you about that.

This is, again, just an additional representation to give you an indication of the benefits that are incorporated into the model from the I&M program.

[new slide]

Whenever we're doing the studies we're often trying to look at whether or not there is any sort of external validation of the information we have collected, and one of the data sources that we have used is the roadside data analysis to try to see whether or not the roadside data analysis is giving us results that are typical, that are consistent. We try to do this in any different number of ways with any of the assumptions in the model; it's always nice to have some sort of independent dataset to look at. We've looked at this data, these are the results that we have derived from that indicating what the overall benefits are for the program. This represents exhaust data only, of course, because the roadside analysis doesn't deal with evaporative emissions on hydrocarbons.

MEMBER PEARMAN: So this is the BAR provided roadside data?

MR. FLETCHER: Yes.

MEMBER PEARMAN: And so you just accept it as is without analysis or questions?

MR. FLETCHER: Well, we, of course, do a quality control look at the information, but this is information I believe Sierra has run through on. But there's conversions that we have to do because the data is not in the same format as the EMFAC model, so we have to convert the PPM to FTP results to get a direct comparison.

Did that answer your question? I'm not sure I answered your question.

MEMBER PEARMAN: Yes, you did.

[new slide]

MR. FLETCHER: Okay. The next series of slides will talk a little bit about how we have incorporated some of the recent changes. As I mentioned earlier, the EMFAC model does not have all of the current Smog Check improvements in it so that we have to go through and to determine what the benefits are we have to do some adjustments.

MEMBER LAMARE: Before we go there, I have a question about the use of the CO data, which periodically shows up in the report. The question is, do we have any CO attainment/non-attainment areas?

MR. FLETCHER: Yes, there's one area in Los Angeles that is still a non-attainment area, one small area.

MEMBER LAMARE: I can understand why you would be measuring and comparing these to show as a kind of a test parameter to validate tests, but I'm not sure why we're including CO data at all in the Smog Check evaluation report.

MR. FLETCHER: Well, just because it's an additional benefit to the program. As growth occurs in the state we get more vehicles, more population, we want to ensure that we don't have a CO problem, and I think we included it because we have it, basically.

MEMBER LAMARE: Do we have a reporting requirement to the feds on CO?

MR. FLETCHER: Probably because there's still one non-attainment area, but it's pretty minimal reporting.

Okay. When we look at the current EMFAC there's a certain number of basic assumptions that are incorporated in the model, and then there's a certain number of assumptions that we're dealing with changes on.

The enhanced areas in EMFAC right now represent about 65 percent of the vehicle fleet in 2002. With the program improvements that are occurring and the additional areas that are being added we believe that's going to go up to 87 percent in 2005 and 2010. Obviously, most of that is the addition of the Bay Area.

The assumptions now is, we said the model has 15 percent in it. We have determined that the assumption is that 20 percent of the vehicles will be directed to test-only in 2002 and notwithstanding the previous discussion, and we expect that to go to 36 percent in 2005 and 2010.

The affected vehicles for the program improvements are cars and trucks up to 8500 pounds, with the exception of the heavy duty which would go up to 9,999.

This next assumption where we assume that 48.5 percent of the enhanced vehicles are in the South Coast is important to us because what we often will do is do the analysis for one part of the state and then we will just extrapolate that statewide as an assumption, so using this 48.5 percent we can then run the analysis for the South Coast and then extrapolate it out to get an estimate for the entire state, and that's premised on the assumption that South Coast enhanced program is similar to other areas in California.

When we would incorporate the actual data into the model itself we of course would not make these sorts of assumptions, it would be calculated based on the specific data for those regions, but for purposes of simply estimating the benefits, then we do this sort of analysis.

VICE-CHAIR COVELL: Bob, let me just straighten something out I said earlier. Jude came over here and pointed out to me something that I said that was in error.

In terms of the total tests that were done statewide, first tests, are 10,760,000. The number I gave you was all tests, which would be some repeats after repairs and so on. So the annual total first test statewide was 10,760,556, and that would be the total directed vehicles that had first tests at test-only stations, which was the 2,036,504, which is falling right in there close to the 15 percent you're talking about. And that's statewide again.

MR. TAYLOR: If I could just add one comment. I believe that 10 million is for all program types, so that would be initial tests for basic and enhanced, so just the enhanced initial tests would be less than that.

VICE-CHAIR COVELL: Would that be change of ownership as well?

MR. TAYLOR: Maybe David could speak to that. Does that include change of ownership?

MR. AMLIN: I think that is the works. In terms of the breakdown, I can't remember if it's 88 or 89 percent of the state now is enhanced. And of course when you look at inspection volume it's highest in biennial areas, (inaudible) change of ownership is

only about 3 percent of the vehicles (inaudible) lower inspection rate (inaudible), so you're close to 90 percent of that, so if you took 90 percent of the 10.7, that would kind of give you a number to divide by.

VICE-CHAIR COVELL: Thank you.

MR. FLETCHER: Norm, let me ask you a process question here on timing. We're about half-way through. Are we doing alright time-wise?

VICE-CHAIR COVELL: Yeah, I think so.

MEMBER DECOTA: Bob?

MR. FLETCHER: Yes, sir.

MEMBER DECOTA: I've got to ask you another question.

VICE-CHAIR COVELL: That's why you're only half-way through.

MEMBER DECOTA: Yeah.

MR. FLETCHER: That's all right. That's okay.

MEMBER DECOTA: That's fine. That's what you pay me to do, folks. I'm confused, so maybe you can help me.

Where does the justification for increases in test-only come from if the modeling does not even represent what we're doing with test-only? How do they keep increasing that number, or why do they keep

increasing that number of directed vehicles to test-only if the modeling isn't even there?

MR. FLETCHER: We'll talk about that in a minute, but the modeling does in fact draw a difference between test-and-repair and test-only.

MEMBER DECOTA: Okay.

MR. FLETCHER: And that will become hopefully clear when we get to that specifically.

MEMBER DECOTA: Thank you.

[new slide]

MR. FLETCHER: These are the four areas where improvements have been made where the emissions do not directly come out of EMFAC as it sits today, and we'll walk through each one of these areas, and I think the first one will basically hopefully answer Dennis's question.

[new slide]

The studies that we have looked at indicate that test-only does a better job of identifying failing vehicles better and that the vehicles are repaired to lower emission rates. EMFAC actually reflects these conclusions, although it does not reflect the change in the number of vehicles directed to them.

So in essence I think what EMFAC does is it looks at the test-and-repair stations have basically, I think a 9.9 percent failure rate. The test-only

have a 25.1 percent failure rate, and therefore, as you direct more vehicles you're expected to have a higher failure rate in test-only, and that, as I understand it, is the justification for directing more vehicles to test-only. And that information is based on BAR data for randomly directed vehicles. I think that's the answer to your previous question.

MEMBER DECOTA: It is, and I appreciate you giving that answer. The only thing is that the HEP modeling is directing the worst offending vehicle families, which basically you're right. I mean, test-only is going to have a much higher failure rate because they're being directed vehicles that have a propensity to fail, so we need to make sure that that's clear.

MR. CARLOCK: That's why we used the random rather than the directed, so we are taking that into consideration.

MEMBER DECOTA: Okay.

MEMBER LAMARE: I'd like to nail that down a little bit more.

VICE-CHAIR COVELL: Jeff, you've got a question?

MEMBER WILLIAMS: You can try, same subject.

MEMBER LAMARE: You do it.

MEMBER WILLIAMS: In the model versus what's happening in the real world, if you increase the

number of directed vehicles, should there be a change in the failure rates because implicitly another engine class or something is being put in there? So it seems to me it's the marginal engine class rather than the average engine class that's relevant to your -

MR. CARLOCK: I'm not sure I understand the question.

MR. FLETCHER: Well, if I could just restate the question as I understand it, you're saying that because you're increasing the number of vehicles being directed to test-only, there's no guarantee that your failure rate would continue to be 25 percent and that perhaps you should reevaluate the basic assumptions that go in there to determine whether as you do more, whether or not that percentage would be changed.

MEMBER WILLIAMS: Yes.

MR. CARLOCK: We have empirical feedback which is BAR reports to us what actually is happening, so we use that as far as calibration for the model.

MEMBER WILLIAMS: On a related point, what happens in the model to these cars that their owners are choosing to go to test-only when not directed? If I understood the numbers, it's close to a million vehicles. What's the implicit assumption about a failure rate for them, or are they not even in the model?

MR. CARLOCK: No, they are in the model. As Bob said, they tend to fail at a higher rate and they tend to be fixed to a lower emission.

MEMBER WILLIAMS: Have we actually seen data on the cars that choose to go to test-only when they don't have to -

MR. CARLOCK: Yes, we can separate the directed from those that go randomly and we can look at the failure rates, because we know that the HEP should send vehicles that fail, and therefore we don't look at that, we look at (inaudible).

MEMBER WILLIAMS: Okay.

MR. FLETCHER: There's always a bit of a delay in terms of assumptions that we make in EMFAC and data that we get in, so when we do the update in 2005 we'll try to use the best available information that we have at that time, and then we would use, you know, we don't expect making any modification to EMFAC after the 2005 for a year or two years, in which case the data will change undoubtedly, as it always seems to do with EMFAC, but we do try to represent the best available information so the assumptions that we're making for the purposes of this report was based on the best available data we had to us in the 2002 timeframe.

MEMBER PEARMAN: Do you now or do you plan to in 2005 look at failure rates specifically for Gold Shield stations to see if that makes a difference?

MR. FLETCHER: I think we'd be inclined to look at any information that would help best represent how the Smog Check Program is improving. To the extent that we have specific information on those, which I assume that we do, then we would try to incorporate that in as best we can.

MEMBER PEARMAN: So currently you have separate failure rates for Gold Shield stations and the model reflects that, or no?

MR. FLETCHER: No, it does not.

MR. CARLOCK: This is easier, because I get to put the model together. The problem was at the time and the problem still is that modeling that sawtooth is pretty complicated, and to do it for four or five different program types means that you hit execute and you go get your coffee and you go home and then you come back the next day and it's still running. So what I did as a shortcut was the model will only run one I&M program per area, so I had free weight everything together with an assumption of what was going to happen just for execution. Now, I'm not getting away with it, obviously, so I have to change the structure of the model to where I can reflect the difference between different populations of vehicles

going to test-only, test-and-repair, GSGR, so it's more work to do, that's all.

MR. FLETCHER: Well, the other way that we somehow or sometimes deal with these changes because it doesn't, you know, as Mark says, we can't have this thing running forever, but what we can do is to try to simulate what happens with those stations and build those into the basic assumptions so that we don't have to revise the model but we can incorporate the assumptions, essentially weight those impacts if it does in fact make a difference, and I think that's a judgment we have to make is whether or not there's sufficient data to determine whether those sorts of changes make a difference.

MEMBER LAMARE: Before we leave this topic, what I'm hearing is that the conclusions that you reach about test-only inspection versus test-and-repair inspection failure rates and test-only inspection versus test-and-repair emission benefits are based on random -- those population of vehicles that are randomly assigned to test-only, not the test-only directed.

MR. CARLOCK: We look at both. We look at both, but we understand that those that are directed should have a higher failure rate than test-and-repair, so we don't just look at what's directed, we look at also what shows up randomly.

MEMBER LAMARE: Randomly and –

MR. CARLOCK: And change of ownership.

MEMBER LAMARE: – and change of ownership.

MR. CARLOCK: Um-hmm.

MEMBER LAMARE: And voluntary?

MR. CARLOCK: Yes.

MEMBER LAMARE: So, I thought I heard you say, Mark, that these 10 percent and 25 percent numbers were based on a comparison of the random and/or voluntary population of vehicles compared with the test-only station vehicles.

MR. CARLOCK: The 25 percent, I believe, is all told this is what the failure rate is for test-only, and the other number was for test-and-repair, but we don't just use 25 percent, we look at actually each model year compared for test-only and test-and-repair, because if you break down the HEP it tends to send the oldest vehicles which are most likely to fail to test-only, so we try to adjust for that fact.

MEMBER LAMARE: Thanks.

VICE-CHAIR COVELL: One more question along that line.

MR. FLETCHER: No, no more test-only questions.

VICE-CHAIR COVELL: We've reached our quota? I think the statement was made by somebody earlier

that vehicles that are repaired that were initially tested at test-only stations and failed, but repaired at test-and-repair – I better make sure I've got this right – the result of that repair results in a lower emission rate on the retest than vehicles that are not directed to test-and-repair.

MR. CARLOCK: Vehicles that undergo test-only fail at a higher rate and end up with a lower emission rate when you compare them to like vehicles in test-and-repair.

VICE-CHAIR COVELL: Okay. Of that group that tend to have the lower emissions on the retest, do you know, Mark, what percentage of that went back to a test-only station for the final test as opposed to those that would have been – (inaudible) the Gold Shield type where they could be repaired and tested right there to reduce the ping-pong?

MR. CARLOCK: Yeah, I believe GSGR will allow you to retest.

VICE-CHAIR COVELL: I'm just trying to figure out why that would be the case. If a mechanic repairs a car thinking that somebody else is going to do the final test on that or doing things to it to make sure that my work is good and this car is going to pass as opposed to what they'd do if it's a customer that comes to them routinely in the test-and-repair shop and make the repairs there. I

don't know, I'm trying to get a rope around this issue as to why that would be the case. Of if you get enough data that would help us figure that out.

MR. CARLOCK: Dave will give you the editorial.

VICE-CHAIR COVELL: Did that question make any sense?

MR. CARLOCK: Yes.

MR. AMLIN: Couple things. We've had a lot of different discussions and I'll try to hit on a few different points. One is how can ARB keep up with modeling all the changes that go into Smog Check. Smog Check has gone through just a few changes along the way, including the legislative for reasons that may not have a technical basis per se.

VICE-CHAIR COVELL: But as long as that happens we'll always be playing catch-up with the model.

MR. AMLIN: That's right, and probably one of the things that's had some of the biggest changes is Gold Shield. Originally there were two versions of Gold Shield, then we had GSGRs, which is Gold Shield Guaranteed Repair, which all that really meant was that you would sign an agreement saying that you would guarantee a repair for a whopping ten days, and I can't remember, and maybe not have a citation or something like that, but minimal requirements. It was

kind of an industry version, we wanted to have easy eligibility for people to go ahead and do that, and then there was another version that had some screening criteria for stations.

And then throughout most of the roadside data collection and everything else we had all these old kinds of Gold Shield. There was guaranteed repair, there were stations that did repairs for repair assistance and all kinds of different things, a real mish-mash of stuff, all kinds of programs. I think previous analysis showed on a lot of those that they were no better than straight test-and-repair, so what happened through the regulatory process was to go ahead and consolidate that down into one Gold Shield that does have some entry criteria to go ahead and get into. Those stations also provide the consumer assistance program repairs.

And along with that, legislation, somewhere along the way there was legislation that gave them an additional right and that was to be able to certify cars after repairs, so that was a legislative move. Essentially, all those things kind of went into effect, I guess, last July. Obviously, all the roadside data that we had was before that time period. In fact, I don't think there's even been screening where anybody's been tossed out in subsequent evaluations of the Gold Shield stations selected, so

some of those things have to occur to go ahead and have something to quantify.

So there have been a lot of changes. Why, from a technical point there was some data that drove that decision to go ahead and allow stations to go ahead and certify (inaudible). It's convenient and people have lobbied to get that in to the Legislature. We don't know the whole effects of that because we don't really have anything that's testing and doing an evaluation of those vehicles in the final test and we won't have that until we get enough roadside data, for example, to go ahead and be able to assess that to see was there some benefit that was lost from that. Obviously, (inaudible) evaluate was that repair successful.

[new slide]

MR. FLETCHER: The second area that is an area we needed to estimate what the benefits of new program areas are, but those areas are currently not represented as an enhanced area, and EMFAC right now is a pretty straightforward adjustment. We look at a per vehicle benefit for enhanced using EMFAC, and then we simply multiply the number of vehicles added in each district by the per vehicle benefit. You may recall from the report that there were eight areas that had requested additional vehicles. I think that's a total of six million vehicles, probably five

million of those are in the Bay Area. About a million of the vehicles are in areas that are partially enhanced, so we needed to apply a discount to represent that correction as well. It's a big emission benefit by adding those vehicles, I think the report estimates something like a combined total of 27 tons of (inaudible) plus NOX.

That's relatively straightforward.

Districts are routinely asking us to add all areas in, so again, it's one of the things that Norm just mentioned, it's difficult to keep up with the model but we want to make sure that those benefits are accounted for and credit can be taken for that in the planning process.

VICE-CHAIR COVELL: I would assume, you say that the districts are continually asking you to add areas, which is a good thing. It was something that was problematic, I know, in the earlier years because the enabling legislation for the Smog Check Program kind of sets a requirement on the local areas that as zip codes populate, to get those added. (Inaudible) slipping through a crack (inaudible) happened here (inaudible) those cars are not picked up, but I think we're on top of that now, there's a higher level of awareness on the part of all the districts that, hey, we have to initiate that at the local level, we can't expect BAR to be running around in zip codes to see

(inaudible). So although it's somewhat problematic, I think we've eased that problem.

MR. FLETCHER: Yeah, districts have done a nice job, and all these requests have come in basically in the 2002/2003 timeframe, so they're very current.

Any other questions on that one?

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Okay. The low pressure evap test is another one that is not included in there. We have relatively limited data on that ourselves; however, there are two states that have done this program in Arizona and Kentucky. The mobile model does estimate the effect of these benefits and we have essentially taken that and applied it to evap emissions in the South Coast, and then again, as I mentioned earlier with that 48.5 percent, we then adjust the estimates statewide, so we assume that the evap benefits in the South Coast would apply.

Obviously there's assumptions there related to temperature. When we incorporate it into EMFAC in a final form it would not do this adjustment, it simply takes a lot of resources to run these off-model adjustments and it's just a timing issue that allows us to get a reasonable estimate of what the benefits are for this type of test. Again, when we incorporate

it into the final model it would be certainly region specific, temperature specific, those sorts of things.

Any questions on that one?

This one, not so many benefits, but still, you know, when we're dealing with the type of reductions we're looking for, this one combined ROG and NOX at somewhere around five tons a day.

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The last adjustment to the – and adjustment is probably not the correct term, it's just simply the last area where we've estimated emissions where the model does not do it directly, it has to do with incorporating in the heavy duty gas truck adjustment. In here what we did was we assumed that the benefits from going from two-speed to ASM is similar to our light duty trucks, and then we carried that through to the heavy duty gas truck category.

There's 31 percent of the vehicles that are not ASM testable. That comes from 18 percent being above the essentially at 10,000 pounds, and 16 percent where the physical size of the vehicle is simply too large or the drive axle weight is too heavy, and when you multiply those through you get a 31 percent adjustment of the benefits.

And again, the same South Coast, we did it for the South Coast, extrapolated it to get benefits for the rest of the state.

Questions on that one?

VICE-CHAIR COVELL: Yes, Bob.

MEMBER SKAGGS: We talked earlier about the benefits of bringing in the trucks into the program, I asked you how many tons of each of the emissions that we're going to gather up there would go toward the SIP. I think it's still, isn't it Mr. Chairman, 112 tons a day for mobile, 52 tons a day for stationary?

MR. FLETCHER: It depends on the area.

VICE-CHAIR COVELL: I don't know what the figure is now, that was the 1990 SIP, I think, was the 112 ton target.

MEMBER SKAGGS: Is it still 112 tons a day?

VICE-CHAIR COVELL: Prior to the Smog Check Program. Now keep in mind, Richard, when we're talking about trucks in this program it's the gasoline trucks.

MEMBER SKAGGS: Yes, I know, the heavy duty. What I'm trying to figure, Mr. Chairman, how much are we going to gain from bringing them in toward the SIP?

MR. FLETCHER: I'm sorry, I should have answered that. The benefit is in 2010 about 3/10ths of a ton statewide for hydrocarbons and 8/10ths of a ton for NOX.

MEMBER SKAGGS: That's what I wanted, thank you.

VICE-CHAIR COVELL: Bob, I've got one follow-up question. Where 31 percent of the heavy duty gasoline trucks, 31 percent of those are not testable in this program. That's not something we can fix so that they can be, they're either overweight or you can't fit them into the thing. So, minor as it may be, that results in a shortfall, if you will, in the ability of the program to meet what we've identified in the SIP that it would do for us. It becomes incumbent then upon, I assume, the state agencies to make up for that sum. Is that identified somewhere else how we're going to do that?

MR. FLETCHER: Well, it's identified in the context of as we go through each SIP revising the '94 SIP for each area, then hopefully we can figure out how to do it. As you know, in the South Coast we're many, many tons short of where we need with identified commitment, so it would be a black box commitment that would have to be met by the state as backstopping those (inaudible).

VICE-CHAIR COVELL: I just wanted people to understand that this whole thing is a zero sum game and if we don't get it somewhere we have to snoop around and see whether we can get it somewhere else.

MR. FLETCHER: Correct.

MEMBER SKAGGS: One last question, Mr. Chairman. I know that when they have the people from

the remote sensing here and gave a demonstration to the committee, when I spoke to them they said that they could use that for the heavy duty. Have you looked at the remote sensing to measure the heavy duty equipment that we're losing?

MR. CARLOCK: Yeah, we're in the middle of a remote sensing study right now. As you may know, we are sensing heavy duty gas trucks along with everything else, so that will be part of the analysis.

MEMBER SKAGGS: They also indicated that they can measure diesel, the heavy duty diesel through remote sensing.

MR. CARLOCK: Okay. You've got me, it's beyond me. You know about that, Dave?

MR. AMLIN: Just a couple things. One is, even though they're not ASM testable here, they still get a (inaudible) test, they get a visual functional check. If they've got OBDE they get plugged in on OBDE, and then we do the evap, liquid leak and all that kind of stuff on there, so there's not that much there with this group.

In terms of remote sensing, we can read the tailpipe emissions of vehicles as long as the plume goes by the sensor, so when you're talking about heavy duty diesel vehicles that's got a stack that's 14 feet up in the air and we're down near the ground, we won't catch the majority of those emissions. Then when you

get down to some heavy duty trucks when you start talking about ones that are like (inaudible) and stuff like that that are quite high off the ground, some of those we may not be able to capture. Same with (inaudible) and everything else, if you have a very high body you don't capture some of those.

So I think the ones that we can measure, we'll have readings for, but there will be ones that the exhaust isn't in a location and the body doesn't block the beam that we won't capture. Semi trucks and trailers, they're very high. Even if they have the exhaust coming out the bottom, the way the bodies are it just doesn't trigger the sensor to go ahead and be able to tell and attribute that to a vehicle.

MR. CARLOCK: You have to find the license plate too, don't you?

MR. AMLIN: We do have to find the license plate, and if you're towing a trailer or anything else that's blocking that, then you don't get a clear vehicle to identify the vehicle, in which case we don't send fix-it letters to trailers, things like that that don't have engines in them, so those are some of the limitations.

MEMBER SKAGGS: Okay. So to clear up my own mind, if we had a trucking firm, and I'm looking at it as to say the trucking firm is there and they want to be tested because right now they're scrapping some of

the old trucks and for credits. This is the way I understand (inaudible).

If we had a remote sensing device that we had a company, let's say, that had heavy polluters such as the trash industry and things like this, and they're able to take those vehicles through the remote sensing and it's not that much trouble to run a pipe from the top down to the bottom so they can measure that emissions, so that we know exactly what the baseline is so if for some reason they wanted to scrap that vehicle out, then they could get a fair share of the credits that you know for the last ten years I've been talking about giving the credits where it's due to the last owner of that vehicle, so when that truck owner, for an example, would run his vehicle, volunteer, run it through a remote sensing, and they did a baseline and they put a particular trap on, then he would get the offset for doing that. Instead of punishing them, let's give them a carrot instead of a club. So I think that we could look more into the remote sensing for the heavy duty market that we're missing, Mr. Chairman, as some kind of thing for a subcommittee to look at, see how we can use this. Thank you, Dave.

MR. AMLIN: Just on the last point. I understand you're saying if we went back to a fleet and we wanted to go ahead and measure some of the

vehicles. One thing in general is that remote sensing is a pretty expensive technology to set it up and everything else. If we can't get a lot of vehicles it's not terribly cost-effective, so if you were going to go out and you wanted to measure a small fleet of vehicles to quantify the emissions, it would be cheaper to go ahead and do a different kind of test.

MEMBER SKAGGS: I know, Dave. I think three months ago they stated and I think that some of the committee members were as surprised as I was when we found out we bought all these remote sensing and we don't have enough technicians to even operate them and most of them are in a warehouse, and we paid for them. So if for some reason I brought this up four months ago, if we had the private sector who paid to have those remote sensing device at a location for a trash facility or somewhere and they would benefit and they're willing to pay to have that done, then why not since we have remote sensing that the state paid millions of dollars for and they're sitting in some warehouse. If we come up with a policy that we could at least have the private sector work together with AQB and the Bureau of Automotive Repair to find solutions -

MR. AMLIN: Whether they do it or we do (inaudible) go ahead and have her committing \$10,000 compared to \$200,000 it's going to be cheaper

(inaudible), so it doesn't matter who operates it, it's not cost-effective. I'll leave it at that.

VICE-CHAIR COVELL: Thank you, Dave.

MEMBER DECOTA: Are we going to break for lunch, Mr. Chairman?

VICE-CHAIR COVELL: Well, what I propose to do here, as soon as the presentation is completed, take a brief break and come back and make sure that we've answered all the questions of the committee, deal with the questions of the public here and then break for lunch.

MEMBER DECOTA: Okay.

VICE-CHAIR COVELL: It's about 11:20 right now.

MEMBER DECOTA: You're the boss.

VICE-CHAIR COVELL: All right.

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MR. FLETCHER: Okay. We have two sections left. The first section deals with how we estimated benefits for program improvements and then we'll just kind of, I could do cost effectiveness relatively briefly, which is the second section, and then I'll just summarize briefly.

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As you may recall, in the report there were eight areas that we identified where we thought there were improvements that could be made. We have

quantified the benefits of four of those, and I'd like to talk just a little bit about how we made those types of assumptions.

This slide simply summarizes the information about emission reductions, (inaudible) plus NOX, and the estimated cost effectiveness. This is information taken directly from the draft report, and I will talk about each of those independently.

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When we made the assumptions for the program improvements, these are the general assumptions that we used, basically the general methodology. We calculate the fleet emissions under the current program, we calculate the benefit of incorporating the improvement, and then we would look at the difference and then apply whatever types of adjustments we needed where information was not currently in EMFAC. And again, these are all areas that are not in EMFAC as it sits today, but we can still use the EMFAC model to try to represent estimates of the emissions.

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The first area was estimating the 30-year rolling exemption. Essentially what we're doing here is replacing it with a pre-1976 exemption, essentially including, for example, in 2010 we would retain 1976 to 1981 vehicles in the program, and then we would add in additional benefit. We calculate for that for the

state and then add in the Bay Area enhanced Smog Check and remembering that there is a small percentage of areas within the Bay Area that are not urbanized and would not be subject to the enhanced program.

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In essence, we assumed that the failure rate in 2010 is similar to the current model year 1976 to '81 failure rate. These are assumptions that as we project into the future we're using, again, what we believe is the best available data. Certainly, if others have suggestions about how to do this, that's one of the reasons why we're walking through these assumptions. But we'd calculate the average failure rate for that 1976 to '81 based on the BAR executive summary report that was done recently.

VICE-CHAIR COVELL: Bob, help me understand that a little better. That statement you just made, can we conclude from that that the durability of control equipment on vehicles is going to be about the same as it has been or does this factor in any increased effectiveness and efficiency and durability of the equipment?

MR. CARLOCK: Okay, it sets the failure rate of a certain age of vehicle that's likely to be the same in the future.

VICE-CHAIR COVELL: Is that reflective of an increase in the average VMT per vehicle? Are we driving more miles per vehicle now than we did?

MR. CARLOCK: Not so much as you would think. At least with the recent data that's available, new cars drive somewhere on the order of 15, 16 thousand miles a year and they have for the past at least five or six years where we have data that's reliable to look at that. And as far as BAR data, we do have the failure rates back to the point where they got computerized and you look at older vehicles, they fail at about the same rate.

VICE-CHAIR COVELL: That's interesting, because we're trying to do our planning locally while we get tossed figures from the transportation planners that the average commute length has increased, people are driving more just to get to and from work, and I would think that that slowly is going to add to the average mileage of these vehicles and I'm just wondering if we're putting the control equipment to more of a test now and we will in the future.

MR. CARLOCK: We actually did an analysis looking for the result of urban sprawl, and don't really find it. The rationalization I gave myself is that, yes, the commute is getting longer for some people, but not for the majority of the people. Those that are moving out to the outskirts are the last ones

in, so you're varying the fringes. So there is a percentage of vehicles that do have a longer commute, but in general it's not showing up in the average.

VICE-CHAIR COVELL: So when we're told, and I know it gets tossed around in this area quite a bit and I think it's the same for most of our urban areas in California that the vehicle miles traveled continues to increase at a rate higher than population growth, we can translate that to per vehicle, so that may not be the case.

MR. CARLOCK: Yeah, not seen. And was looking for that.

VICE-CHAIR COVELL: Yeah, thank you.

MR. AMLIN: I think historically since we've tracked mileage and I know we've worked with Air Resources Board, I think as far as as the (inaudible) VMT climbing and I think (inaudible) we're seeing record car sales these past few years. Looks like so many new cars people are adding a number of cars that it actually looked like we were starting to see a little bit a trend of the mileage dropping off a little bit and that there are more cars per household. So in the past if you hauled people around and everything else and you're doing all that with two cars and now you're doing it with four cars or something like that, as I said, the average VMT looked

like it might have actually been dropping off just by the (inaudible).

Now we see so many people, 16-year-olds getting new cars and stuff like that to go ahead and drive themselves to high school so you don't have someone necessarily hauling them to school, so there's a lot of mileage that's accruing and I think the total mileage that's accruing in the state and the average per vehicle may be affected by the sheer volume of vehicles out there.

VICE-CHAIR COVELL: Thank you.

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MR. FLETCHER: The second area that we evaluated was annual inspections for vehicles older than 15 years. In 2010 this would mean vehicles of 1982 to 1995 vintage, model years, affect something like 5-1/2 million vehicles. These vehicles would have much higher failure rates, I think we estimated somewhere around 30 to 40 percent failure rates for these model years. And in doing the calculation here we basically did select -- one of the 'what if' scenarios here is EMFAC does have an annual inspection option so we can run it for these specific model years. Again, we have to add the Bay Area because it isn't in Smog Check, so the combination of those factors allows us to estimate what we think those benefits would be.

MEMBER WILLIAMS: Could I ask a question?

MR. FLETCHER: Yeah.

MEMBER WILLIAMS: The model that is just about repairing a car back to the appropriate cut points, what's being assumed about scrappage rates if it were an annual inspection? Somebody just says, oh, time to give up on this car and it's out of the fleet a year early than it would have otherwise been and all the pollution it caused.

MR. CARLOCK: The choice of biennial or annual does not affect the scrappage rate. The scrappage rate is empirically determined by looking at successive calendar years worth of DMV data. That is, in calendar year 2000 there were half a million 35-year-old vehicles, and in 2001 there's now less than that, so it's empirically determined in that way.

It might be true that, yes, having an annual inspection may hasten the demise of some of these vehicles. I just don't have that information to the model. But what we've found is that actually when the vehicles tend to fail, they get sold, they don't necessarily get scrapped, they change hands, until they're scrapped.

VICE-CHAIR COVELL: Jude.

MEMBER LAMARE: My question about this is whether you evaluated annual inspection for failing vehicles versus annual inspection for older vehicles

and determined that this was a better way to go. Given the conclusions and the discussion about failures, it seemed to me that we ought to be doing annual on failures. Can you comment on that?

MR. CARLOCK: They're almost synonymous in the model. The older vehicles just fail more. There could be a finer cut, I suppose, on looking at those that are collector vehicles versus that are your regular older vehicles, but right now you choose older vehicles you just get a higher failure rate of them all.

MEMBER PEARMAN: The emission reductions for this improvement, would this just be for enhanced areas only, or do you know if they assumed a broader (inaudible)?

MR. TAYLOR: This is just enhanced areas only, that's right.

MEMBER PEARMAN: And again, in these assumptions then you would assume the same percentage being directed to test-only maybe being 20 percent of these older vehicles?

MR. TAYLOR: Yes. For this analysis we just used what was in the model, the 15 percent. We didn't make an off-model adjustment for increasing to either 20 or 36 percent, so in that sense these benefits are a little bit on the conservative side, because if you

are directing more vehicles to test-only you would see a slightly increased benefit for these vehicles.

MEMBER PEARMAN: In general with the improvements that were mentioned in their report, should we assume that's always the case, that it was the 15 percent baseline is how you came across the cost effectiveness and the emission reduction estimates?

MR. TAYLOR: Yes, for these improvements that were proposed in the Smog Check report that Bob's covering right now, that is true, we didn't make any adjustment for more vehicles to test-only.

VICE-CHAIR COVELL: Thank you. I have one question, Bob. How did you settle on 15 model years old? Was there a break there in terms of cost effectiveness to bring them in for one year, or what was the deciding factor?

MR. TAYLOR: We did look at vehicles over 10 years old also in addition to the vehicles over 15 years old, and the benefits weren't as great for the vehicles over 10 years old because they don't have as high of failure rates. And we did do an analysis. We received some data from BAR, which in fact I believe that chart is in the Smog Check report that plots failure rates versus the model year vehicle, and you can see there's a real sharp jump-up about the 15-year-old vehicles, you can see the failure rate

really steeply climbs from there on back, so that's why we decided to go with the 15 years, because the failure rates for the vehicles for the vehicles between 10 and 15 years old, they have lower failure rates, we don't see that sudden jump-up in failure rates and up to the failure rates that are up over 30 percent until you get to the 15-year-old vehicles.

MR. FLETCHER: The other consideration is as we were looking at 2010 as sort of a key date, when you look at 2010 that puts you at 1982 to 1995 vehicles, and of course OBD II comes in in 1996, so we're hoping that OBD II, the need to do this will be less with OBD vehicles.

VICE-CHAIR COVELL: Thank you.

MEMBER PEARMAN: Just one thing. You note here it says the 30-year rolling exemption remains in place. So again, that makes it have a conservative estimate because if you assume that then there'd be more (inaudible).

MR. TAYLOR: That's right. In all of these we didn't look at the cumulative effect if more than one of them were implemented, we just looked at each one separately.

MR. FLETCHER: So, you know, basically we were looking at the average biennial failure rate for the vehicles over 15 years similar to current vehicles, and then looking at the annual failure rate

estimated by applying the ratio of the annual to the biennial benefits to generate what the emission estimates are.

Any questions on that? Jude, do you have a question?

MEMBER LAMARE: Are we talking about annual high mileage vehicles?

MR. FLETCHER: No, just still on older vehicles. No question on that then we will go to high mileage.

MEMBER LAMARE: I don't know, I guess, given the discussion in your report about failure and retests, I came away with a strong feeling that vehicles that fail should be reinspected a year later, so what I'm hearing you say is, well, in this population the failure rate is so high we should inspect them all, and so I guess that in doing that, you're getting a lot of failed vehicles for annual inspection because you're inspecting everybody, every vehicle 15 years and older that's in the Smog Check Program. Somewhere here there's a cumulative or multiple benefit by going back to cars that failed the previous year and rechecking them instead of waiting for two years, which I would think you might want to consider or would have wanted to consider having the vehicles that failed, looking at them (inaudible).

MR. FLETCHER: We could run that analysis to determine what the impact would be. I think it's for the purposes of this report we were trying to estimate probabilities and I think we felt that in general the probability of going back and look at these would be greater than the probability of simply retesting cars that had failed, but I think it's probably something we have sufficient information to be able to take a look at if it's something that the committee wanted us to do.

MEMBER PEARMAN: On that same point, in looking at the recommendations, I was concerned whether or not you could take both in terms of the older vehicles and the high mileage vehicles, say those that pass the annual inspection two consecutive years, to then remove them from the annual inspection and make it maybe less burdensome and that might be some evidence that they really aren't as dirty as the general population of those two classes. Do you have any information and data available that would help us look at whether that type of suggestion would have a cost benefit for the program?

MR. CARLOCK: We could probably look at information from BAR as to what the makeup is of that particular age group of vehicles as far as what their key failures are versus habitual passers. Talk with Dave on that.

MR. FLETCHER: I think the difficulty would be teasing out from that. Since we don't do annual inspections the question would be what assumptions would you have to make to represent the probability of failing on consecutive tests, and that might be a challenge.

MR. AMLIN: Just from the report itself you can go ahead and look at some of the roadside data analyses and look that there were some repeats within the failures. Once the program has gone through a few cycles there will be kind of a stable failure rate, so that means that all of them repeat, so essentially I think in the case of I think it said that 60 percent of the ones that pass that (inaudible), or 60 percent of the failures are fresh is kind of the theory. You might just go ahead and take that out for a two-year cycle and say, okay, (inaudible). Cars break down at any given time and you don't actually have to repair at a Smog Check, it has to do with your car's just having some component or something fail that will cause the problem, so I think you can kind of take it from that, but there's some portion of the fleet that's going to go ahead and (inaudible) failures.

I think the other thing is is there a way to go ahead and skip some cars out, and I think considering who passes may not be the best way, but I think that one thing that we will have in the remote

sensing study we're looking really at both things, both remote sensing and also using low emitter profile to go ahead and look at cars that have a low failure probability and we'll be applying those things across.

And so I think our assumption is if we went to annual testing, and so we would look at using those kinds of methods to go ahead and see if there's a portion of the vehicles we could take out, so I think the concept you have is good, I think we would just actually take it a step further and say can we use all available data, remote sensing data, the vehicle's historical failure rate, its individual historical failure rate, and then from those if there's a portion we can go ahead and get them to be able to opt out, so that would be kind of our vision. It's just kind of premature to go ahead and put all those in since we're not done with the remote sensing study, which will quantify what portion of the fleet we could do with that, what the emissions impact is.

Because I think like we talked before, every time you exempt cars you are giving away emissions benefits no matter how good your program is, and the question is, if we do all the best tools, how could we minimize that and is it small enough to afford to go ahead and do that, and I think we will have those answers probably not too far out in the future, but I think that would be our vision is we'd try to build

them in with this so not everybody would have to go every year even within those vehicles.

MEMBER PEARMAN: Thank you.

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MR. FLETCHER: Another one of the recommendations had to do with annual testing for high mileage vehicles. We had done some work looking at taxicabs where we looked at basically visual inspections of taxicabs to determine what the failure rates were on those vehicles. They were pretty high. I think of the 1600 tests that were done we found that 27 percent of them had failed a visual inspection either because of deterioration or tampering.

We then looked at a subset of this information to look at basically 1996-plus taxicabs that had, whether they had the (inaudible) on or not, and we found that 34 percent of these did have it on. We tested a certain number of these vehicles, I think we tested 43 vehicles; 28 of them were passing OBD vehicles, 15 of them were not, so we tested them before and after repair to determine what the differential would be in testing these vehicles. We also had information on the annual mileage for these vehicles that was something on the order of 58,000 miles for the taxicabs.

So we first estimated the benefits associated with 20,000 vehicles. Again, a relatively

straight calculation taking the number of vehicles times the failure rate times the emission benefit and then times the miles per year to estimate what we thought the benefits would be for simply repairing taxicabs.

We then looked at the number of high mileage vehicles for the state, and it looked like there were 3 percent of the vehicles that were driven greater than 25,000 miles, so we then basically calculated it for the roughly 560,000 vehicles that would be high mileage vehicles to estimate the 6 tons.

Now, I should point out that we used 58,000 miles so it represents sort of an upper bound. For all that 3 percent we estimated 58,000 miles per year, so that 6 tons is probably a little bit on the high side.

VICE-CHAIR COVELL: Bob, help me understand that. Are you saying that 3 percent of vehicles driven over 25,000, that's out of your taxicabs –

MR. FLETCHER: No, that's statewide data that BAR had.

VICE-CHAIR COVELL: Okay. So what are these taxicabs averaging?

MR. FLETCHER: 58,000, based on the study that we did looking at mileage for taxicabs specifically.

VICE-CHAIR COVELL: Okay. And what was the average age of those vehicles?

MR. FLETCHER: They were basically 1992 to 2002 vehicles.

VICE-CHAIR COVELL: Thank you.

MR. FLETCHER: And again, we looked at the 1996-plus because in 2010 that's probably the vehicles that are going to be in service in the taxicab fleet.

VICE-CHAIR COVELL: That's compared, I guess, Mark, to the average vehicle in the state running 15-16,000 miles per year?

MR. CARLOCK: Actually, new vehicles will do 15 and 16, the average vehicles are 10 to 12.

VICE-CHAIR COVELL: Oh. Bob?

MEMBER PEARMAN: First, could you just give me a little more comfort that you based this in part on the study of 43 cars and why that's a sufficient sample so we should feel comfortable about a recommendation like that?

MR. FLETCHER: Well, vehicle testing is very expensive to begin with, so 43 vehicles actually is a pretty large dataset to test on both sides of the equation. I think in our surveillance program we may test, what, 100, 150 cars a year total, so just for reference that's what we're trying to do to establish the emission factor database, so for this one in this

study alone we were looking at about a third of the cars that we may test annually.

MEMBER PEARMAN: So you're saying based on historical performance of your similarly small sample studies, you have confidence in it.

MR. FLETCHER: I think we're confident it gives a reasonable representation of what the differences and the benefits would be before and after repair.

MEMBER PEARMAN: Okay. And you say you assume the failure rate for a larger fleet would be similar to the rates in the taxicab study. Can you just play devil's advocate and suggest what people who would disagree with that statement would focus on in terms of why these assumptions might not be valid, if you think they have any validity at all?

MR. CARLOCK: (Inaudible) focus on 43 vehicles, but 43 vehicles randomly selected out of the taxicab fleet, which is 20,000, (inaudible). They've asked me to do far more with far less.

MEMBER PEARMAN: And sometimes we've had problems with the results of that, too.

MR. AMLIN: If I could go ahead and I know the Air Resources Board and BAR have done a lot of work together in terms of the taxicabs. I think that the sample they talked about there, the number that ARB's (inaudible) the total number of vehicles in the

program are much higher. There have been a few different areas of the state where there was some settlement a few years back, I guess, with the taxis in southern California where we had a lot of tampering and things like that on the vehicles, so they were subjected to annual testing through a number of different programs. And so actually that's over time, but like the 34 percent there, I would consider that to be like the optimistic view. I think when they've gone into some fleets that haven't been tested in the past and weren't subject to annual testing that it was well over 50 percent. I think some of the areas had never seen some kind of an internal oversight and it would be considerably higher, just OBD failures alone.

We also have about a thousand of those vehicles with the device I talked about before, the OBD monitoring device that transmits that data electronically, and so some vehicles are in that also, so there's a lot of data and in that case there's about a thousand cabs, I think.

And then we've been collecting data about vehicles over a long period of time, so we have a lot of experience about repair data, failure rates and things that go beyond this. I think what we're really talking about here is the activity before and after emissions and to go ahead and give a quantification (inaudible).

There's additional data for ASM because they've been getting (inaudible) for ASM and OBD for a period of time also.

I think the other things that some of the earlier charts that showed the direct correlation between mileage and deterioration rates is up there indicating the cars that do, the high mileage vehicles, they break and they fail just like older cars fail more than newer cars, it's the same thing with newer cars that have very high mileage, and of course the taxis have tremendously high mileage, but in general, historically there's so much records that rate the correlation between high mileage and problems caused by emissions.

MEMBER PEARMAN: And the other question I have is generally for a number of these improvements. How is the CAP program and the subsidy for repairs and the limit on repairs factored into your assumptions? To put it another way, since we're looking at the program overall, could we look at data you provide to determine if increasing the subsidy or things of that nature would have a significant effect on your recommended improvements and the emission reductions?

MR. CARLOCK: One of the things we do when we (inaudible) a smog station and we have a laboratory license, is we look at what would the benefit be if we had no restrictions as far as time or money. We

perform what we call an extensive repair, and that's the baseline of this is the best we think we can do within the framework of the program. So underlying the EMFAC assumptions there is a 'no cost limit' assumption that can also be run, and that is with our mechanics being the model for the best you can do given time and resources, we do have that estimate in there.

MEMBER PEARMAN: But the estimated emission reductions and cost benefit analyses are based upon not that model but the model that there are limits on the cost of repairs and the amount spent.

MEMBER DECOTA: Just a point of interest maybe. As I was being raised my father was in the taxicab business in San Francisco for 40 years, so I know that his company, which was De Soto, and I know Yellow are factory testing components for Ford and may have data available on this issue, on these issues that may be of interest to ARB in maybe Mr. Pearman and others on the committee.

Because I know that San Francisco is a seven-mile by seven-mile city, and it's also known as a cab city, but the average vehicle is over 130,000 miles a year, the average engine change is at 300,000, and the average age of the vehicle is retired in 5 years, so I think that would be a good series to get maybe some cooperation from the manufacturers or even

from the companies with regards to emission data that they may have available that won't cost you at all.

[new slide]

MR. FLETCHER: All right, the last category is just the smoking vehicles. Smoking vehicles emit a lot of PM and the question becomes, you can in fact be a smoking vehicle and still pass Smog Check. It sounds counterintuitive but it does in fact occur, so we were looking at, just from a public perception basis to take a smoking vehicle in and have it pass Smog Check is a little bit troublesome, and plus PM obviously is one that has significant health effects, so we were looking at what happens if we went ahead and included a smoking vehicle test in.

We quantified the benefits basically based on data indicating that one to two percent of the vehicles emit visible smoke which would make about 200,000 vehicles a year, assuming that they drive an average of 30 miles a day at an emission rate of .27, you can calculate the tonnage at, I think, 1.6, something like that, tons a day. A relatively small ton amount, but one of the recommendations.

[new slide]

The last section of the report, in the interest of time I don't think that I will go through this in great detail but will certainly be willing to answer questions on it.

There's a couple of basic assumptions that go into it based on, again, BAR data, the average ASM inspection cost and the average enhanced areas repair cost form the foundation for the cost effectiveness calculations.

MEMBER WILLIAMS: I have a question on the average cost. Is that for that model year or overall?

MR. TAYLOR: It's overall model years.

MR. FLETCHER: Does that answer your question?

MEMBER WILLIAMS: Well, it's possible that an older car has an average cost that's higher or different than average, right, not just --

MR. FLETCHER: It would be averaged over all model years for calendar year 2002.

MR. TAYLOR: Right. And that was an assumption we made like for looking at the 30-year-old vehicles or the vehicles over 15 years. We are re-using an average repair cost here of the whole fleet that's subject to enhanced I&M, so that was an assumption that the older vehicles on average had that repair cost. Whether or not that's strictly true, we didn't have additional data when we were doing this to look at that.

MR. AMLIN: (Inaudible) it's kind of the midway (inaudible) and then actually as you get to the oldest vehicles it's a little bit lower than average,

being that a 1976 vehicle has pretty simple technology, we're still talking carburetors, (inaudible), air pump, EGR, so there's probably fewer things I guess that somebody would have to go ahead and repair or replace on those older cars and so those are only average.

[new slide]

MR. FLETCHER: The next series of slides just basically document the assumptions that we made. In essence the cost effectiveness is calculated by looking at the annual cost to implement the program divided by the annual emission reductions, and it's based on assumptions in calendar year 2010. So just for comparison, we typically use \$1 per ton somewhere on the order of \$10,000 a ton as sort of an average. We'd love to be below that, we have had measures clearly that are more expensive than that, but we do this to provide some perspective on the reductions versus the cost. So this is the one for changing the rolling 30-year average, cost effectiveness is about \$7300.

[new slide]

Next one is this is 15-year -- well, this slide should read Annually Inspecting Vehicles Over 15 Years, and it's about \$8500 a ton.

[new slide]

High mileage taxicabs. This is for just taxicabs, not the full fleet, at \$10,000 a ton.

And then we didn't do one for smoking vehicles. We just simply don't have enough information to be able to calculate that.

[new slide]

The last two slides in the presentation, I'm happy to report they are the last two slides. The first one is simply the EMFAC updates that we plan on including. As I mentioned, we're updating the program, shooting for mid-2005. We will be incorporating these directly in the model to try to improve the emission estimates we have made, make them certainly more area specific. These are just those related to the I&M program, there are clearly other modifications that we're considering to the EMFAC program. So these are the ones we'd be looking to update.

We are also, as I mentioned, have a contract with – if we haven't issued it, we will be issuing a contract shortly to help us improve the model on Smog Check. If you've had the opportunity to try to use that, it doesn't do as much as you would like it to do. John certainly has some interest in improving the flexibility so that he can run the scenarios that people are more interested in looking at, so that's

also one of the modification that will be incorporated.

And those sorts of changes where we're looking at improving the flexibility of the model, we don't necessarily have to wait for a new release of the model to do it, those we can incorporate as resources allow.

[new slide]

Then the last slide basically is just a summary. We do believe that there are benefits, substantial air quality benefits with the Smog Check Program. EMFAC and the other data that's available are important, the model is based on empirical data. And that we are continually striving to use the best available data that we have available at the time, recognizing that if we're calculating emissions for 2005 or 2010, it's inherently based on our assumptions as to what will be the situation in 2005 and 2010.

We welcome input on the development. We hope that you will provide us comments as we go through the EMFAC process.

That concludes our presentation. Thank you for your attention, and we're still ready to answer questions.

VICE-CHAIR COVELL: Okay. Jude.

MEMBER LAMARE: Presentation today has been about how you quantify the recommendations that you

made in your report, and I would like to know what you learned about the first four year model years in the fleet, the ones that are exempt from the Smog Check in the statute, how you quantify the emission benefits foregone by the exemption. What was the roadside emission failure rate for the first four model years, vehicles that were exempt? What was the OBD failure rate that you found on the roadside inspection for the newer model year vehicles that are exempt? Were you able to quantify the emission loss from those exemptions and were you able to address different ways that you might be able to get those emissions, you know, with the statutory exemption? Any data at all on whether your failures are greater or less than expected, and is the OBD system really working to bring people to their dealer to correct any emission failures that occur?

MR. FLETCHER: Is that it?

VICE-CHAIR COVELL: Have you got all those written down?

MR. FLETCHER: All right, let me see if I've got all the questions first.

You were wondering how we quantified the failure rate of the first four year exemptions, was the first question. And then you asked if we had any roadside data to basically validate that four-year exemption for the first four years?

MEMBER LAMARE: It's basically the same question stated in a number of different ways. What do we know about the emission failures?

MR. FLETCHER: Okay. And then the last question was, is OBD working? So basically two questions, then, I think. Mark.

MR. CARLOCK: Okay. For the first four years of a vehicle's life, first of all, the new vehicles tend to emit very low and they fail at a very low rate. How do we know that? Vehicles still change ownership during the first four years and BAR does have a record of what percent of those vehicles fail. The model assumes something less than one percent. I think the BAR data backs that up pretty well.

Do we -- we being me -- in the model when you say it's a four-year exemption, it's a four-year exemption, we don't have those vehicles (inaudible). What we do have is a user-selectable change of ownership rate, and if you do invoke the change of ownership rate, some of those vehicles will be assumed to go through.

MEMBER LAMARE: You're not doing roadside on it. You're not pulling them over for the roadside inspection. Or is that a BAR program?

MR. FLETCHER: BAR.

MEMBER LAMARE: Are you inspecting --

MR. AMLIN: We have tested newer vehicles on the roadsides and have some failure rates. I think some of that data said, and I'm trying to remember and there might be something in this report in more detail, but I think we did a five and six-year report where we looked at some newer vehicles and failure rates and I think it showed the OBD failure rate across, I think that was from roadside data (inaudible) and so it shows an OBD failure rate among new vehicles is the single highest cause for failure, so that's the most extreme case, the tailpipe and visual rates are much lower.

Again, memory test, I'm guessing the one-year-old cars, they actually reported vehicle failure rate of about .1 percent or something like that, very small.

I think the other thing is that you were asking a question of how many tons are at stake, and I don't know right off the top of my head. I do know that (inaudible) cost effectiveness for the newest cars obviously wasn't very good for five and six and the other ones are obsolete (inaudible), and so I think that's why (inaudible) the recommendation for the newest two years from change of ownership the database, and there's essentially nothing there in the first two years. Some of the next couple years you start getting some, but it's mostly because that

there's some small portion of the fleet, three percent, that's putting out high mileage, so that there are some people like traveling salesmen, taxi drivers and commercial vehicles that in three years have vehicles that have 200,000 on them and those are the ones I think we're starting to see might have some real impact, and so if there was a group I'd say we would try to find a way of finding vehicles that are putting on a lot of mileage. And also I think that's something that we'll hope to address with this remote sensing that's looking into is there a way with that to do something on newer cars and pick out some of the very high emitters.

VICE-CHAIR COVELL: For the newer committee members, this four-year exemption was one of those changes that came along as a result of legislation after the SIP credit for this program was submitted. And as Mark said, when you look at these first four years, it was less than one percent of that population that failed. More important here, it was less than one percent emission loss from those four years being exempted from the program.

MR. CARLOCK: Well, when we did the analysis that ended up being the recommendation for the four-year exemption, we actually, I think ARB's position was we can let them out for as long as six years, and the concern was, if that was the case, then

you could have a vehicle failing that's outside the warranty period, so the six years was actually mitigated down to four years, but our recommendation was very small loss of benefit with six years of vehicle life.

MEMBER LAMARE: And now we're hearing both roadside data and change of ownership data confirm your initial assessment.

MR. CARLOCK: Yes.

MR. FLETCHER: Jude, you had also a question on OBD.

MR. CARLOCK: Yes. We have found OBD to be extremely effective. We are looking at analyses now because there are some cases where the OBD light will be illuminated and it won't fail in ASM, which is not necessarily a problem in that the OBD is set to, if you would assume the standard, it's set to a much more stringent standard than the ASM is right now, so you would expect that if there are vehicles where the light is going to be illuminated, it's not going to fail the ASM test. Difficult to explain to some people, however, so we're doing an analysis now with BAR's cooperation to find out what is the error of omission rate, if you will, with on-board diagnostics.

One thing I do want to point out is that OBD doesn't fix cars, OBD simply alerts you to a problem that you then have to address, and we're looking at

OBD as an enhancement to the Smog Check Program. That is, it will help identify vehicles that would otherwise go unidentified, and it also has the ancillary effect of directing mechanics to the system that is failing.

VICE-CHAIR COVELL: And then I understand in the taxi study, though, that a fairly significant percentage of those guys running around with that light on.

MR. CARLOCK: The light has help going off, yes.

VICE-CHAIR COVELL: The light what?

MR. CARLOCK: Some taxi drivers help the light go off.

VICE-CHAIR COVELL: Oh, help it go off.

MR. CARLOCK: Go off, yes.

VICE-CHAIR COVELL: You know, we ought to have something more significant than a light. I think we need something like Skaggs' telephone here, so like that thing won't shut off until you get it fixed.

MR. FLETCHER: Well, as the report indicates, OBD and remote sensing are two areas that we still think additional effort is necessary and additional studies are under way to look at that.

MEMBER PEARMAN: Just a couple of questions on the interrelationship of some of these improvements.

First in the high mileage vehicles, is the recommendation that they be tested regardless of their age? So you assume if it's a two-year-old vehicle, if it's high mileage it would be annually inspected?

MR. FLETCHER: Yes.

MEMBER PEARMAN: Though you did look at them independently. Certainly, for example, some older vehicles might also be high mileage, so if we asked you, would you be able to tell us what the savings were or the reductions were if you combined one or more of these improvements? In other words, if you had older vehicles and annual for high mileage there might be some overlap, obviously.

MR. TAYLOR: Yes, we could do that.

MEMBER PEARMAN: Okay.

VICE-CHAIR COVELL: Okay. Jeffrey?

MEMBER WILLIAMS: It seems that it's difficult to run many variances of the model, so I suspect you haven't tried one where you've rigged every one of your necessary assumptions to the extremely conservative, sort of looking for a lower bound estimate on some of these things. I'd be much more comfortable both about the program and about the various policies like 15-year-old and over if the lower bound estimate says this is still under \$10,000 per ton or something. I think you see what I'm meaning and I'm just wondering if you've ever done

that kind of analysis, especially asking, let's say it's a 13 percent reduction of hydrocarbons the model predicts if you make every assumption conservative it's 12. Sure looks a lot better than if it's 2.

MR. FLETCHER: I wouldn't say that in all cases we have made the most conservative assumption possible. I think with one exception, the taxicabs, I think is one where I think we may have overestimated, because if you extrapolated the entire state but the cost effectiveness was simply based on the taxicab assessment.

But again, what we've tried to do is to represent the best available information and lay out the assumptions to the best of our ability, and we haven't really tried to skew it one way or the other, you know, and where we did make those sorts of assumptions we have identified that really this represents an upper bound and the emission reductions are probably less than this. In other cases they may be greater than what we have estimated.

But we can do sensitivities on it to look at, you know, if the committee wanted us to, say, look at different failure rate assessments, we can do that sort of assessment similar to what we've done here making the types of assumptions that we've made that allow us to extrapolate it statewide, so if it's something that the committee wanted us to do and

wanted to evaluate specific recommendations with specific sensitivities, we can do that.

MEMBER WILLIAMS: Okay.

VICE-CHAIR COVELL: Other questions? In the report it identifies basically two sources of data that you utilized principally in putting the report together, and that was the EMFAC model and BAR's roadside test data and you identified a couple other data sources in your slide, Bob.

How much of the -- I remember seeing some slides in there where it showed some comparisons between, and this is probably how you used this, a comparison between your EMFAC and the BAR data showed fairly close comparison in terms of a lot of the data. Is that pretty much what was done with the use of the BAR roadside stuff was just to compare it against EMFAC stuff, or did you really get into the BAR roadside stuff and analyze it for any specific trends or specific information that it would give us about the program?

MR. FLETCHER: I think we used quite a bit of it throughout, not only just for comparison, but maybe Mark can talk a little bit more about that. But it kind of rifles through much of the assumptions, I think, in terms of failure rates and those sorts of things, not only just overall emission reductions.

MR. CARLOCK: The issue is the BAR data at best represents a snapshot in time, and since most of these analyses have to be run for some kind of future scenario, you need the model to do that. So the first thing you want to do is make sure is on the same basis as reality, your roadside data, and then from that point you can go forward and feel good about the projections that you're making. So we use it both as a comparison and it works its way into subsequent analyses.

VICE-CHAIR COVELL: Yeah, this was a concern, I guess, Mark, when we talk about, and I can understand that with the model we're always playing catch-up to what's going on because of the enhancements and adjustments that are necessary. How you go about making sure that we're getting as close as we can to an apples and apples comparison between the BAR roadside stuff, which I think is probably about as close to what's going on out there as you can get, and then chase that with the model.

MR. CARLOCK: Um-hmm.

VICE-CHAIR COVELL: So I guess you have to factor in the adjustments and so on to make sure that the model's giving you data that's fairly close to what the BAR data is.

MR. CARLOCK: That's exactly what we do.

VICE-CHAIR COVELL: Okay. All right. It is 12:15. Can I have a show of hands here of folks in the audience – I'm sure we've generated a lot of questions – the number of folks that are going to have questions here resulting from this presentation this morning? I see Chris's hand, Larry, Charlie. Len, you weren't even here and you've got a question? You've got a question about the presentation this morning?

MR. TRIMLETT: I can come up with questions, don't worry.

VICE-CHAIR COVELL: All right. Okay. What is your availability? If we were to break for a quick lunch and come back could you guys be here to deal with that? I'm sure we want to spend a bit of time trying to deal with the issues that the public has as well, so if that's acceptable with everybody, it's 12:15 now. If we were to get back here at 1:15, 1:20 and start our afternoon session.

I really appreciate the time you've taken to pull this data together for us. It's a good presentation. And I've got even a further refinement of those numbers that Rocky gave me regarding test-only, but I'm not going to tell you until after lunch. Make sure everybody comes back.

Okay, we're adjourned, then, for lunch.

(Noon Recess)

— o0o —

AFTERNOON SESSION

VICE-CHAIR COVELL: We'll switch positions a little bit in terms of who's asking the questions at this point and provide an opportunity now for those of you who listened to the presentation this morning as part of the audience to ask any questions that you have. The CARB representatives are seated and ready to go, so who would like to go first? Charlie, you're up.

MR. PETERS: Yes, Mr. Chairman, Mr. Covell and committee, I'm Charlie Peters, Clean Air Performance Professionals, and we represent motorists. I found an awful lot of very interesting comments here today. Obviously some people have done some very hard work, sweat over a lot of data and information, making a lot of suggestions. But I'm confused by some of the things that I don't hear, some of the things that are not included, and I'd just like to start with a little question for if there's anybody on this panel or in the committee that could maybe give me a little help.

What happens if you were to take the model that we're discussing and evaluating this program and you increase the failure rate by double? Would that make the program performance go up or down?

MR. CARLOCK: If you double the number of vehicles going to test-only; is that what the question is?

MR. PETERS: The question was, if you double the failure rate in the program, will the program performance go up or down in the model?

MR. CARLOCK: It'll go up.

MR. PETERS: So the more failing cars we have, the more credit we get for emission reductions for the SIP; is that what you're saying?

MR. CARLOCK: In general, yes. That is, it depends on what you're failing as far as whether you get an additional benefit or not.

MR. PETERS: Question number two. If the emissions failure result becomes twice as high, hydrocarbons, NOX readings on the failure are twice as high, and that's the only change that's going into the model, will the program performance go up or down?

MR. CARLOCK: If the average failing vehicle has higher emissions than what we assume now; is that what you're asking?

MR. PETERS: That's exactly what I said.

MR. CARLOCK: Then the benefit would increase.

MR. PETERS: So the program performance will improve if the emissions readings in the program, the data going into the program, doubles on failing cars, then the program performance will increase.

MR. CARLOCK: In general, yes.

MR. PETERS: My, that's interesting data. So if we have a program that were to immediately determine when a car was failing and where it can immediately get fixed and we were to give appropriate credit to the program, the program credit would probably be zero.

MR. CARLOCK: I don't follow. No, it would not be zero.

MR. PETERS: Every car that fell out of compliance with state standard was immediately identified and immediately fully repaired.

MR. CARLOCK: By who?

MR. PETERS: Doesn't matter. By God.

MR. CARLOCK: If it's identified within the program, then there would be benefit within the program. If you as the owner of that vehicle was to identify and repair it, then the only thing that we could credit the program with is possibly a motivation for you to do that.

MR. PETERS: You indicated, I believe, Mr. Carlock, that there were ongoing program evaluations where you are sending cars out in the marketplace to determine whether or not they get fixed for the program performance; is that correct?

MR. CARLOCK: We do that periodically, we don't do it all the time.

MR. PETERS: How long has it been since you've done that?

MR. CARLOCK: The last large item evaluation that we did was in the late nineties.

MR. PETERS: And did you determine specifically what was wrong with those cars and what it took to repair them before they went out for evaluation?

MR. CARLOCK: Dave corrects me. He points out that we are doing such an evaluation of the OBD cars.

MR. PETERS: I'm sorry, I didn't hear that.

MR. CARLOCK: We are doing such an evaluation where we send the cars out with an OBD specific fleet right now, so we are doing an analysis right now.

MR. PETERS: But my question is, when you do that, do you determine what the car needs repaired in order to fix it before you send it out –

MR. CARLOCK: Yes.

MR. PETERS: – to evaluate it?

MR. CARLOCK: Yes.

MR. PETERS: Have you also evaluated whether or not what was broken got fixed?

MR. CARLOCK: Yes.

MR. PETERS: And can you share with us what that result looked like?

MR. CARLOCK: That's difficult to tell you. I can tell you in generalities is the higher the vehicle emits, the more likely it is to fail. The more likely it is to fail, the more likely it is to receive an emissions benefit as far as repair. There are instances where vehicles that are marginal are failed, and when you try to fix those the results are mixed.

MR. PETERS: But I believe when a car is out of compliance that has specific things that are wrong.

MR. CARLOCK: Yes.

MR. PETERS: And the question is about whether or not those specific things that are wrong are determined before the evaluation and whether or not the specific things that are at fault on the car get fixed. That's not a very complex question. I think that should be fairly simple data as to whether or not what's broken is actually getting fixed. You're talking about emissions readings and the level of emissions readings, you're not talking about specific failure readings.

MR. CARLOCK: There's a very simplistic answer. Sometimes they get fixed, sometimes they don't.

MR. PETERS: But that should be some data that is available.

MR. CARLOCK: Sure.

MR. PETERS: And is it possible for you to share that data with the committee and with myself, if possible?

MR. CARLOCK: Sure. Absolutely.

MR. PETERS: So the failure rate, the emissions readings, the whether or not what's broken is being repaired, I think would be very beneficial to the decision process of the committee and behavior of the public and the industry and whether or not they actually fixed what's broken I think would be a key issue as to what appropriate kinds of actions are necessary here to improve how the public's being treated, improve the air and improve the total emissions. Would you say that would be a reasonable possibility?

MR. CARLOCK: I can say that the data is available to anyone that would like to request the data.

MR. PETERS: And under what kind of timeframe might I expect to be able to get that data?

MR. CARLOCK: Let's see, my flight is about three. If you call me tomorrow, I think you'd have it by the end of the week.

MR. PETERS: That would be delightful.
Thank you, Mr. Chairman.

VICE-CHAIR COVELL: All right, Charlie, thank you. If you have further questions you want to

hold them and we'll move around the room and pick you up again.

Who's next? Chris.

MR. ERVINE: Chris Ervine, Coalition of State Test-and-repair Stations. Mr. Covell, you asked earlier, gave some numbers earlier about the total number of vehicles tested in the state and what number were directed to test-only. You said there were 12 million total vehicles tested in the state, then you came back with 10 million were initial tests.

By BAR's own numbers -- or ARB's own numbers rather, 48 percent of the vehicles in the state are in the Bay Area and they were not included in these numbers initially of 2 million were directed, so when you come up with the numbers, it's somewhere right around 52 percent are directed vehicles to test-only.

VICE-CHAIR COVELL: Chris, let me straighten that out, or have Rocky straighten it out. He handed me the list and I tried to pull the data (inaudible) to share that. In clearing this up you see how well I did that.

The 12 million were total tests around the state, 10 million were first-time tests statewide. Rocky later pointed out to me -- why don't you come up and explain that the year this was run the percentage of cars that were in the enhanced areas wasn't the only area looking for test-only station directed.

MR. CARLISLE: Yeah, bear in mind this was done in 2000/2003 [sic] fiscal year prior to the Bay Area coming into the enhanced program, and so, again if you look at first tests there was 10.7 million. If you look at the first tests and say, okay, only 65 percent was enhanced at that point in time, that brings it down to approximately 7 million vehicles. Then you look at total tests done at test-only, there's about 3.4 million, okay, so roughly half, as Mr. DeCota alluded to earlier. But the directed vehicles were actually 2,036,000 for that same period of time.

VICE-CHAIR COVELL: So it would be 30-something percent, I guess.

MR. CARLISLE: Exactly. I don't have a calculator with me, but it's pretty close because there is some fallout as far as directed vehicles. The balance of course would be the volunteer vehicles that showed up at test-only like we described earlier.

VICE-CHAIR COVELL: Can I assume from the figures in that information you got, talking, that roughly a third of the vehicles that get tested at test-only were never directed there, they went there voluntarily?

MR. CARLISLE: Approximately, yes. Because in round terms you have 2 million vehicles that were

directed and 1.4 million went to test-only voluntarily.

VICE-CHAIR COVELL: (Inaudible). What I'm trying to make here is that this test-only versus test-and-repair issue is a big issue and it's getting bigger based on the complaints of the test-and-repair industry about what's going on. I'm just trying to get a rope around it to see what's right. I mean, we've got all kinds of data, we should be able to know how many have gone to test-only as a result of being directed there by the state to go there. (Inaudible) 2002/2003 it was a little over two million vehicles.

MR. CARLISLE: Right.

VICE-CHAIR COVELL: But the actual tests that occur, these are both first tests.

MR. CARLISLE: Yes, first tests.

VICE-CHAIR COVELL: (Inaudible)

MR. CARLOCK: Yes.

VICE-CHAIR COVELL: So, we can conclude from that, then, that of the one-third of the vehicles that end up being tested by test-only stations go there voluntarily.

MR. CARLISLE: Right, they're not directed. And this was given to me this morning by Gary Hunter when the question first came up.

VICE-CHAIR COVELL: Well, I just stopped short of reading the total number and just talk about

what went to test-only stations for first time testing, but based on what you're saying, the experience has been that roughly half the vehicles in the fleet subject to the program in any year end up being tested at test-only stations, but only 30-something percent of them are actually directed there.

MR. CARLISLE: I would have to say that's a fair analogy. Again, everybody knows that at one point I did work for BAR prior to my coming here and I did develop the test-only network, so I'm intimately familiar with these numbers, but these really haven't changed until it went to the 36 percent, you know, and then I believe it was 2000 it started.

VICE-CHAIR COVELL: Well, it's been an issue through the years that's kind of gained some momentum. I remember way back we had problems with data contractors in terms of who they were directing there, because they were taking 15 percent of the total fleet subject to the program.

MR. CARLISLE: There were a number of problems in the early stages, yes.

VICE-CHAIR COVELL: Which is understandable when we fire these things up, but it's been going for awhile and it should be pretty well refined.

Then I understand that they direct more than 15 percent to assure that you get 15 percent there,

because some get the notice and don't go there, so don't go anywhere.

MR. CARLISLE: Well, that was the initial, but that hasn't -- I mean, that's just a flat 36 percent. The confusing part is, as Dave Amlin alluded to, it's what you use to divide by. I mean, the first four years are included in the total count, but the first four years are not directed to test, that's where the confusion lies.

VICE-CHAIR COVELL: Okay. Chris, do you have another question?

MR. ERVINE: Yeah. I would like to see those numbers if we could get a copy of them.

MR. CARLISLE: You bet, I'll leave copies for everybody.

MR. ERVINE: And the reason that I say this is because test-and-repair station after test-and-repair station has experienced an 80 to 90 percent drop in initial tests since the increase in directed vehicles to test-only. I have four stations that collected signatures over a four-month period from consumers that were unhappy with the directing of vehicles to test-only, and we collected over 2,000 signatures just in four stations. Now, if you multiply that times 4,000 test-and-repair stations, there's an awful lot of consumers in the State of

California that are unhappy with the directed vehicles.

Another concern that I have is the fast pass that is going on with the test out there. We're really concerned about how much reduction we're getting in emissions. And what a fast pass is, once a vehicle drops below a certain -- below the cut point in a certain amount of time, it automatically passes the smog inspection, and it's a concern to me because now BAR is starting to grade us as to how efficient our emission reductions are, and in my shop we do a manual after-repairs test. After we've done the test we do a manual test to see where our emissions are, and consistently our emissions are well below where the vehicle finally passes on an after-repairs test, and we are probably getting, I would say somewhere around 80 to 90 percent of the after-repair tests that we do are fast pass, and some of these vehicles that pass only pass 1 point below the cut point, so we're losing an awful lot of emission reduction through the fast pass program.

VICE-CHAIR COVELL: Did you have a question related to that or was that just a statement?

MR. ERVINE: That's a statement that I have and I think that we need to do something about it. That's about all I have for right now, thank you.

VICE-CHAIR COVELL: All right, thank you.
Questions? Lenny.

MR. TRIMLETT: Len Trimlett. I'm having a real problem finding any justification for test-only. Now, as I look at these view graphs, what I see is that supposedly we get a more unbiased inspection at a test-only. This appears to make an assumption that at a test-and-repair the smog mechanic is not going to give an unbiased opinion, but it also seems to assume that, okay, we're going to identify -- the only way to get more benefit out of a test-only is if you can see more failures detected at the test-only.

The question to CARB is, what failures were identified at test-only that were not identified at test-and-repair? I'm waiting for an answer.

MR. CARLOCK: Are you asking what types of failures?

MR. TRIMLETT: What failures were identified at test-only that were not identified at test-and-repair that would justify doing test-only?

MR. CARLOCK: I'm not sure how to answer your question other than to say when you correct for the vehicles that are directed that tend to be older, you still end up with a higher failure rate at a test-only than you do at test-and-repair.

MR. TRIMLETT: Why?

MR. CARLOCK: Very good question.

MR. TRIMLETT: I think until you answer that you don't have much justification for test-only.

MR. CARLOCK: I guess another question could be, why don't you have a higher failure rate at test-and-repair?

MR. TRIMLETT: That's what I want to know.

MR. CARLOCK: Me too.

MR. TRIMLETT: I want to know what a test-only station does that makes that failure rate higher. Now, I've heavy duty people say that the software at test-only stations differs from the software at test-and-repair. I don't know, I can't speak to that, but the first question that I want to know, what is it at test-only that shows failures. If you have statistics you ought to be able to find out what those failures are. I don't hear any answer, so I'd like to ask another question.

To the gentleman from CARB, are you familiar with the Nevada smoking vehicles program?

MR. CARLOCK: Yes.

MR. TRIMLETT: Okay. Last year we had a thing SB 708 which set up identification of smoking vehicles at truck stops, okay. The one fallacy in that system is that at a truck stop you generally do it at night, whereas a vehicle inspection you do it during the day. I'm saying, given our state economy and the fact that these two are mutual exclusive on

time in general, I argued for the Nevada system in which smoking vehicles would have to go to a inspection station within a certain number of days of being reported or else lose their registration. A mandatory inspection and sign-off on a smoking vehicle would make sense. It would eliminate a big portion of your emissions if that were done. Have you -- what is the actual plan for smoking vehicles?

MR. TAYLOR: You're talking about trucks, heavy duty trucks, or cars?

MR. TRIMLETT: No, passenger vehicles I see going down the road.

MR. TAYLOR: Well, I think what we recommended in the report was that smoking vehicles be added to the program but it requires a legislative change in order to do so.

MR. TRIMLETT: What enforcement?

MR. TAYLOR: What enforcement?

MR. TRIMLETT: How do I know that vehicle is going to get inspected and corrected?

MR. TAYLOR: Well, it comes in under two different programs, one of them regulatory and one of them non-regulatory, but I think it comes in under the normal smog. You know, if the recommendation that we suggested in the report, then it would come in under the normal Smog Check and it wouldn't pass Smog Check if it were a smoking vehicle.

MR. TRIMLETT: Okay. I would like to see that smoking vehicle system done like Nevada. I think it works and it's very effective.

VICE-CHAIR COVELL: Can I ask just a question here, Lenny?

MR. TRIMLETT: Yes.

VICE-CHAIR COVELL: Mark, is that Nevada program, is that light and heavy duty vehicles smoking vehicle program?

MR. CARLOCK: It's just light.

VICE-CHAIR COVELL: Just light, is it? That's what you're focusing on here, Lenny.

MR. TRIMLETT: I'm focusing on specifically passenger vehicles light duty.

VICE-CHAIR COVELL: Okay.

MR. TRIMLETT: I would also like to ask one question of CARB. What is the definition of light duty vehicle, does it include one ton and three-quarter ton trucks?

MR. CARLOCK: Light duty in general is up to -- it's at least up to 6,000 and could be up to 8500.

MR. TRIMLETT: 6,000 to 8500.

MR. CARLOCK: Yes.

MR. TRIMLETT: Thank you.

VICE-CHAIR COVELL: Okay, questions, Larry.

MR. ARMSTRONG: Yes, my name is Larry Armstrong. I've got here a older copy of the DMV

split-out on vehicles. I get amazed at how much time gets spent trying to figure out that half of the vehicles that are directed for a biennial test in an enhanced program are directed to test-only, but you can just about calculate it yourself from these numbers if you just take the total number of automobiles and then subtract the, whatever it is, '76 and older, and then take 36 percent of the number that's left and it's going to end up being about half of the total. And I haven't even done it, I'll just give you this little thing and you can probably get one that's legible from one of these folks because they must have them, and easy fix.

Now, that doesn't take into consideration all of the variables to go in there, because some of the areas are not enhanced, some of the areas are partially enhanced, some of the areas are change of ownership only, but you've got to get all of that stuff out and just take mature enhanced areas and the number is going to be half of the vehicles, just like I'm assuming that BAR was the one that told the Senate Transportation Committee that it was half the vehicles. So I'll give you that.

Just for interest sake, Mr. Covell and Mr. DeCota I think are the only two that were around when this happened, but down in Long Beach before they ever started any test-only I estimated that 85 percent

of the vehicles that went to test-only should fail, and everybody laughed at me.

Then the BAR came back, it was actually Larry Sherwood at that time, and I think he works for you now, Mr. Covell, he came back and said no, that's not right, BAR figures 75 percent. And anybody that's ever followed the test-only failure rate, it's never gone over, to my recollection, never gone over about 38 percent, so it only works at about half the rate that anybody thought it was going to do, so when you're calculating all these benefits, consider maybe that as a possibility of one of the considerations in there.

I have said this many times before, that the gross polluter category skews the statistics so that they're meaningless. A test-and-repair station that fails a car as a gross polluter gets into one hell of a bind with their customer. They lose the customer, the customer often doesn't want to pay, and they're going to lose that customer permanently, so they're going to figure out a way to not fail that car as a gross polluter, which is going to end up, if they do it legitimately they have fixed the car before they test the car and totally screw up the statistics by taking care of the air and taking care of their customer.

I would like you to ask where a pretest and then a repair and then a retest or a pass, where do those numbers fall in there? It used to be that in that kind of a situation, the BAR, I guess through limited calculation capabilities, only counted that as a pass so that all of those vehicles were just counted as a pass. Which again, that's the case today, and I don't know whether it is or not, but it screws up statistics.

VICE-CHAIR COVELL: Larry, somewhere in there is a question of these folks?

MR. ARMSTRONG: Well, it all depends on who's making the calculations, but that can be a question. Because you need to know the answer to that question how those vehicles are treated so that you know how they fall out when it comes out into statistics.

VICE-CHAIR COVELL: Hold it right there. Is that the essence of a question here for either of you or Dave?

MR. CARLOCK: Yeah, we handle that implicitly. That is, we make a determination of whether a car should pass or fail before we send the car out, so even if it comes back and they say they didn't do anything to it, we measure its emissions before and after, so if they did a pretest, determined

it was going to fail and repaired it, that emission reduction is counted.

MR. ARMSTRONG: But the Bureau of Automotive Repair is putting out statistics talking about pass rates and fail rates –

MR. CARLOCK: That's a different question.

MR. ARMSTRONG: Where does that fall in there, that situation? Does it fall just exactly the way it actually happens or is it a straight pass or is it a fail and then a pass; how does it work?

I would like to know whether the ancillary benefits of the Smog Check Program have been calculated into these results that we're showing up here. It appears to me that when there's a difference between a theoretical and a green line going up there, I would assume that maybe that benefit in there in between would almost have to be described as an ancillary benefit because it starts even before there's a Smog Check, so and we have never talked about the – I've asked about it but we've never talked about what effect does that have on the consumer, car dealers, car manufacturers, car repair shops, auto parts houses, what effect is on all of those different people and how does that work and is it then applied into those statistics?

MR. CARLOCK: Yes. The I&M benefit is the difference between the theoretical line and the green

line. That is, we assume that a vehicle, but for Smog Check, would approximate that red line, so we do give them benefit.

MR. ARMSTRONG: But the green line and the red line don't split at the time of the first Smog Check, so I'm assuming that you're assuming that there's benefit going on.

MR. CARLOCK: If you look at the two lines, they split from the beginning, not from when the first Smog Check occurs.

MR. ARMSTRONG: Which if I read the lines right I would assume there's benefit before there's ever a Smog Check, correct?

MR. CARLOCK: Yes. It's small, but it gets bigger throughout time.

MR. ARMSTRONG: Okay. I would also like to know who wrote the report? I'm an old fashioned person, I would put pen to paper, but maybe somebody never put pen to paper, but who wrote this report? I think that's an interesting question because it might give you some interesting answers. People have torches to carry and so I would like to know who wrote the report.

MR. FLETCHER: Well, I can answer that report. My staff took the lead in writing it and worked very closely with the Bureau of Automotive

Repair on the various drafts that we went through to come up with this document.

MR. ARMSTRONG: Who wrote it?

MR. FLETCHER: Who wrote it? Well, let's see.

MR. ARMSTRONG: Who wrote the words?

MR. FLETCHER: Andy Panson was the lead. John contributed, Mark contributed, Sylvia contributed, Doug contributed, I contributed, any number of people from the state.

VICE-CHAIR COVELL: Plus the technical data you received from a contract with Sierra Research.

MR. FLETCHER: Yeah, we used technical data from Sierra Research as technical backdrop for it.

MR. ARMSTRONG: How much, if any, did Sierra Research write in this report?

MR. FLETCHER: In the final report, I don't think any, actually.

MR. ARMSTRONG: In the final report.

MR. FLETCHER: In the draft I&M report that you folks have it was an ARB/BAR report written by staff of those two agencies.

VICE-CHAIR COVELL: As I understand, basically what Sierra Research put together was a lot of technical evaluation of data and information, which if it stood by itself was not a report suitable to shoot to the Legislature or EPA.

MR. FLETCHER: Correct.

VICE-CHAIR COVELL: Because it was just basically that, analysis of technical data, so that was taken and put into context of a report that took various subauthors who put together a legislative report.

MR. ARMSTRONG: When we talk about newer vehicles don't fail, do those newer vehicles have tighter cut points from what I would call a median vehicle compared to an older vehicle? Are the cut points commensurate with the capability of that vehicle when it came out of the factory compared to a ten-year-old vehicle when it came out of the factory, or are we dealing with old cut point numbers?

MR. CARLOCK: The cut points don't change as a function of the odometer, if that's what you're asking. They do change as a function of what model year the vehicle is, because that signifies a different technology, but it's not that the cut points are more stringent when the vehicle is new and less stringent when the vehicle is old.

MR. ARMSTRONG: That's not what I asked. Are the cut points being adapted to the newer vehicles, the newer they get the cut points are being adapted all the time?

MR. CARLOCK: When there's a significant change in technology we do have a different set of cut points for those vehicles.

MR. ARMSTRONG: I don't know that that answered my question, Mr. Carlock.

MR. CARLOCK: Well, sorry. Well, in general, yes. The answer to your question is, yes, those vehicles are certified to the lower standards that's reflected in the cut points that are established.

MR. ARMSTRONG: My last question is, at test-only, and I've asked this before, where do the reductions come from, how do they get there, where do they come from? Do they come from test-and-repair stations, some guy in his back yard, from the muffler shop? Where are they coming from?

Because it amazes me that we can be thinking that the people that are doing test-and-repair, when they get to the point where they're working on a test-only failed vehicle, I can see some difference for a pretty valid reason, but how does this magical jump happen? I think you ought to be asking that question.

One of them, the one reason that it can be different is, when my machine tests a car and the car passes, it gets a certificate, so it's over at that point in time. Unless I'm deceiving the customer and

not letting them know that their car would pass the test, I have very little choice but to give that customer a certificate because the machine issues the certificate at that point in time, so that can make a difference right there, but that's the only difference that I can think of that has any kind of logic to it.

Beyond that, I'm assuming that somebody is assuming that the guy in his back yard can outperform the people that have been trained to do this work, and I fail to see the logic there. Thank you.

VICE-CHAIR COVELL: Was there a question in that last comment?

MR. ARMSTRONG: Mr. Covell, I would hope that you folks would be asking that question at that point in time, because I'm a believe in I look at statistics and then I look at the logic, and if I can't make statistics appear to be logical then I go look and try to figure out why the statistics are not logical, so that would be a question that I would hope you folks would be asking.

VICE-CHAIR COVELL: All right. Gentleman in the front row. I'm sorry, did you have a question of Larry?

MALE VOICE: Well, no, it was just something he suggested I just wanted a clarification. You said that some of the experiments you've done sending a car out with known problems, and sometimes it comes back

and it's been pretested and the emissions are lower.
Is that difference credited -

MR. CARLOCK: I think that's very germane to the issue is with a test-only station they may be less predisposed to do a prescreen test, they could care less whether you fail or not, okay, so that there is an additional failure rate because perhaps they're not concerned about whether you come back or whether you're happy with them.

Anecdotally, I can tell you that was the case with my son's car. I brought it in, it failed and it's like, good luck. He took it to the wrong station. The station I go to the guy would have pretested it for me and told me that I had a problem, but it wouldn't have shown up as a failure in that case.

MALE VOICE: Does this show in the model?

MR. CARLOCK: Yes, it does. What the model would say is that for every X percent of vehicles that are here to pass, some will get an emission reduction even though they appear to pass.

And the converse is true also, is that for some percentage, if you fail a passing vehicle, tendencies are to make them worse when you're done.

MR. AMLIN: If I could go ahead and add a little bit of additional information. A few different things on the pretest repairs. We know that it does

exist. I think in the last evaluation before this we did a fair amount of analysis looking at roadside data before, because we'd always go ahead and look at the day when the car first failed and when it was certified. We had cars that were identified when they were repaired compared to when we saw them in the roadside, and we looked at the trend, and I think there's been difference documents to go ahead and look at this effect over time, but clearly there's a portion of the population that gets repairs in advance of Smog Check, and it could be for a multitude of reasons.

One is what Mr. Armstrong was describing, but there are others. I think some motorists go ahead and they anticipate their Smog Check is coming up and they go out and get their car tuned up or worked on or whatever else they know that there may be something wrong, they may know that their check engine light is on. They may go to their regular person that does their service, and it may not be a Smog Check station, or may be a regular automotive repair dealer. They may go ahead and do it themselves, they may take it to a friend, there are all kinds of things that happen.

It happens whether or not you go to a test-only station or a test-and-repair station. I think that as we've talked to people, they do admit that the car runs really poorly and that they see that

they've got a Smog Check required and they take some action in advance.

Then there's also when you get down to the things that when they actually get to a Smog Check station what they're doing there in terms of pre-adjustments. BAR has a process out there to go ahead and do a pretest. It's a formal process where you go ahead and enter it into the analyzer. That's actually recorded and sent to the VID and we can go ahead and count that.

A lot of times when we're trying to research a question like this to look at what was the initial failure, if somebody did a pretest, typically we count that as the initial failure, and so if they wanted to avoid the possibility of marking the vehicle a gross polluter, that is an option that currently exists. Stations use that. Typically we count that really as the initial test.

So that's what we're trying to evaluate. It depends on how the vehicle (inaudible), but again, there's a lot of different occurrences, some that is at a Smog Check station, some that's before they ever get to the Smog Check station, and all those things occur.

So we know from roadside data we can see that clearly we've got a portion of the Smog Check benefit before we see the first Smog Check test

result. Some of those are successful and some of them aren't. Some people also go ahead and say I need to go ahead and do this to my car and they have it done and it fails anyway. And some people make some considerable effort before they get there. I think when we see some responses from motorists they say by the time they get to our CAP station or whatever else for repair assistance, they say they've already spent, you know, \$500 on my car. I tried this before I got there, I went to my regular shop and I spent \$200 and everything else.

So some of them are successful, but overall we can see it from the roadside data and that's pretty fair tons. I think in other kinds of studies using remote sensing and anything else, you always see it, there's always some benefit in advance of the Smog Check. In fact, in advance of the first test.

VICE-CHAIR COVELL: Mark.

MEMBER MARTIN: It seems like there's a predisposition to favor test-only even though we know that there's all these other conditions that really sway the statistics, so we really aren't quite sure what benefit the test-and-repair facilities are giving these vehicles prior to conducting the actual smog inspection.

As a licensed smog mechanic in my recent past myself, I've ran into situations myself where a

vehicle would come in running poorly. Rather than conduct a full-blown test, I would diagnose the problem with the car, I'd effect the repair after gaining authorization and the vehicle would pass. And unfortunately, we're looking at a program that's geared more towards empirical data and having the ability to quantify emission reductions as part of this program, that practice doesn't help you very much, and I want to know what steps we're taking as a program to better quantify those types of reductions, because quite frankly, for our own selfish reasons we should be getting and we deserve the credit for those emission reductions as well.

MR. AMLIN: It's really the reason that we have the roadside inspection program is to go ahead and collect intermittent data of what happens before and after so that it accounts for all these effects. There's a pre-inspection repair, a post-inspection repair, a post-inspection unrepair or whatever else that people were putting on equipment and then taking it off the next day, all those things, that's why we do roadside testing, to be able to go ahead and measure those (inaudible) drive around, and so it just avoids having to figure out everything that happens in between, because some of those events are pretty difficult for us to measure. It's hard to go ahead and say that the motorist spent a week in the garage

on the pre-repair of their vehicle before they went to Smog Check, how do we quantify that benefit? There's no study on it. Mark doesn't send cars from ARB over to somebody's garage and say let's see how you do on your own car or something like that, so we just measure cars on the road and we see how they're really driven. If (inaudible) and they clean it up before they get in for their Smog Check and then take it back off again, that'll show up on the roadside, so again, we're just getting an end-to-end assessment, so it takes into account all those things.

In terms of the way we look at the tons of reductions, it's looking at the difference of roadside before and after as opposed to what the stations report. We have looked at what the stations report compared to what happens on the road, and they don't connect that well because of some of these different things. Some people will say that their car has benefit repaired when in fact it hasn't. Some people may be recording the emissions from a vehicle that isn't the one that they entered in the license plate. Some people claim phenomenal emission reductions when such reductions didn't exist, and so out of all those things whenever we've looked at it and be able to rely exclusively on the data when people are evaluating their own performance, it's not as reliable as we would hope that it might be.

I think it's a little bit (inaudible). That's what we did when we gave out the exams. That's what you did when you went to college and you took exams. The teacher walked out of the room and told everybody to go ahead and take the test and go ahead and give themselves their own score, they might score themselves differently than if it were evaluated (inaudible), so I think that's the advantage and that's why we do that, to get a better assessment.

So again, I think it counts everything that occurs. Sometimes we just can't explain all of the mix of those different things, and that's what we know now is we know there's a pre-inspection benefit that occurs, we know some of it's at the station, some of it's before they get there, so it's really difficult to get the exact accounting to each of those groups. We can go back in the roadside data and we can figure out what portion of the reduction, it wasn't a really big part of it. I'd hate to even speculate what it was, but it's not (inaudible) in terms of total reduction.

VICE-CHAIR COVELL: Mr. Pearman.

MEMBER DECOTA: I just have one, Dave. Approximately fiscal year 2002/3, I believe there was 12 million tests; isn't that what you read earlier?

VICE-CHAIR COVELL: Yeah, I believe that was the number for the total statewide first time tests.

MEMBER DECOTA: Well, the first time tests. But my question is, how many roadside tests did we actually do, say in fiscal 2002/3, how many vehicles in the enhanced program were run through a roadside test?

MR. FLETCHER: I think, if I recall, somewhere around 11,000 tests were done.

MEMBER DECOTA: Ten percent – no, that's not right. Four percent?

MR. AMLIN: I can't recall off the top of my head. Historically, we usually do more as we have more staff, but that is probably (inaudible) attrition during the hiring freeze, probably the one that has the most turnover as they're on the road traveling all the time, so it's probably an area with a lot of turnover. We used to do over 10,000 a year, something like that, but as our group shrunk I think today they're all out there doing remote sensing and so the number is very few. We have a few that are pullovers, but most likely they're spending the time doing remote sensing. So it's changed over time.

MEMBER DECOTA: Sure.

MR. AMLIN: I wish I could give you a number and say that it was this.

MEMBER DECOTA: Would it be fair to say that you're not doing it presently?

MR. AMLIN: I think we might be doing 20 a day with one of the teams.

MEMBER DECOTA: Thank you.

MR. FLETCHER: Just to confirm that. In the '99 roadside tests we did 22,500, BAR did, and it was about 11,800 in the 2002.

MR. CARLOCK: Dave, just for a point of clarification, when EPA asked us to do the evaluation wasn't it on .1 percent?

MR. AMLIN: It was .1 or they have a cap, I think, of 20,000 or something like that.

MR. CARLOCK: So one percent is pretty big.

MEMBER DECOTA: It's .1.

MR. CARLOCK: Yeah, .1 was what EPA asked for.

MR. AMLIN: I think that EPA asked for .1 or 20,000 is what they say is the rule for on-road testing, something like that.

VICE-CHAIR COVELL: Thank you, Dave.
Gentleman in the front row.

MR. WILTSE: I don't have a question of the panel, Mr. Chairman, but I do have a policy statement from my organization.

VICE-CHAIR COVELL: Okay.

MR. WILTSE: Jack Wiltse from Association of California Car Clubs. We oppose the repeal of any provision of Senate Bill 42. Senate Bill 42,

authorized by Quentin Kopp in 1997, exempted '66 to '73 automobiles from Smog Check and also mandated the rolling 30-year exemption, which as I understand it, would come into effect in 1975.

We still feel that collector cars 30 years and older have an insignificant impact on air quality in the State of California and we would urge that the rolling 30-year exemption remain in the law as passed. Thank you.

VICE-CHAIR COVELL: Thank you. Lenny. I'm sorry, did you have something to say?

MR. GRABER: Yes.

VICE-CHAIR COVELL: Lenny, can I put you on hold here a second, this gentleman hasn't had the opportunity to speak yet and I didn't see his hand up.

MR. TRIMLETT: I'll wait.

MR. GRABER: Thank you very much. My name's Gerald Graber and I'm with Glenmore Auto Repair in Fremont, California. I've been in a technician in a service station and an independent owner for 33 years and I've recently tried to become a Gold Shield station, and I don't qualify. The reason is I don't fail enough cars.

Could you tell me if a surgeon was in the hospital and he didn't kill enough people that he couldn't be fired?

MR. FLETCHER: A question really beyond our expertise on that.

VICE-CHAIR COVELL: Dave, can you reply?

MR. AMLIN: I'm looking, but I don't see anybody here that really works on the Gold Shield on the selection criteria. I know that they have a number of selection criteria and one of them is to go ahead and look to see that they have an identification rate similar or better than test-only stations that test comparable vehicles, they go ahead and they break it down by model year and they have a typical failure rate by model year and they say these need to be better than average, and so they say if you never fail anybody or you aren't identifying many of the vehicles, the probability is you don't fail them, there's no car to repair, no correction that will be gained. So I think they have a number of criteria.

I unfortunately am not the best person to go ahead and talk about all of their criteria. They have some basic statistical requirements, you have to have a minimum number of vehicles that were repaired. So there's some certain basic criteria that you have to have before you can have enough statistical data to go ahead and make a determination that they can make effective repairs or not.

They look at before and after emission reductions and so on, but basically, the true

statement, if you don't fail more than average for the kinds and age of vehicles that you inspect, then that would be why they (inaudible).

VICE-CHAIR COVELL: I probably knew the answer to this some years ago when we first started talking Gold Shield, but can somebody refresh my memory as to, you talked about some of the criteria. How was this established? Was it established by BAR in concert with the industry setting the guidelines as to what would be Gold Shield? Was it established by BAR acting unilaterally? Did the Legislature get involved? How did that happen?

MR. AMLIN: Maybe I'll try to give a little bit of brief response, but I think I would suggest really deferring it until there are some people here that can go ahead and give a little bit more history.

Of course, originally it was something that was in law. I think as I mentioned earlier, there were different kinds of Gold Shields originally and there were different levels that those were built at, but the last round there was some additional requirements defined in law. The original obligation was to go ahead and do a pilot. We did the pilot and we had to move from a pilot to a program. We did regulations, we did workshops for the regulations, public hearings and so on for the regulations and got feedback from the industry through that kind of a

process and adopted the criteria through that, and then July of last year went ahead and actually implemented the requirements that are now in regulation. And so it's a combination of some piloting with some experience and feedback and then going through the regulatory process to what we have in place today.

MR. GRABER: I have a question. Are you using anybody that has ever had any experience in auto repair to do this? I mean, it's like flying an airplane. They use pilots and things to find out things. Did you use anybody with experience out of auto repair to make this criteria, or did you have your MBA's sitting in there that are on your staff making them?

MR. AMLIN: I guess sometimes it's easier if the question to the committee what it is you'd like to go ahead and ask. In terms of general, most of the field repairs and people that work in the field, well, essentially all of them are mechanics or were mechanics at one time and have training and experience over a number of years. I'm not sure what the average number of years of automotive experience the field repairs have, but it's a lot collectively, so there's an awful lot of automotive experience for people that went through that.

There's a lot of experience for a lot of years. I think we have shared before the station performance evaluation report where that looked at this very issue. We looked at there are some businesses in California that at times have had zero failure rate, they never, some shops over a period of time that never failed a vehicle. We looked at the ratio of what you would expect to fail based on what went in compared to what did fail, and we did see that the -- I think that was where we found that the lowest 25 percent of stations looking at a comparison of what you would expect to fail through the failure probabilities versus what did fail, and the 25 percent showed no emission reductions.

When we looked at roadside data we saw nothing, just didn't see anything there, so we know that there is a relationship between people that will go ahead and identify vehicles that are likely broken or not.

And then some of that is the experience the field used for this item looking at failure rate. The field uses, I think what's in the regulation it's called EFR, expected failure rate, and that's a simplified version of what we call failure probabilities by engine family, they just do it by model year and apply it.

And so again, a lot of automotive experience with the field staff. Again, it's a public process and we go through regulations and that there was input from all these. I think that there were through those meetings there were a number of changes. I know through the original Gold Shield there was a lot of industry input and that's why we started it with two kinds of Gold Shield.

VICE-CHAIR COVELL: Bruce, did you have a comment?

MEMBER HOTCHKISS: I guess, yeah. I mean, I know this gentleman somewhat. I may have actually been in his shop (inaudible). It seems to me that in some ways he does have a valid complaint, and what happens, I guess, with the Gold Shield regulations is that it's kind of cut and dry, and I know that for the longest time new car dealers always had almost a zero failure rate, it seemed (inaudible) version of what they were testing, and in fact (inaudible), but they didn't get much (inaudible) customers, so they didn't get the older cars.

So if this gentleman is very selective in who he tests, regardless of the age of the vehicle, if he's essentially only testing his normal customers who he's maintained the cars (inaudible) and he's being penalized because he's actually doing a good job. It

doesn't seem as (inaudible) Gold Shield to take into consideration stuff like that.

MR. AMLIN: Couple things. One is that the comment on dealers, and that's on an expected failure rate if all you do is you test brand new cars, we simply expect your failure rate to be zero. But if the average age of the vehicle you test was one year old, that's what we'd expect to be normal for that. So in terms of it's age compensated.

In terms of any time you set up some kind of criteria, it's a like a test, whether you're testing people for whatever else, you know, I think (inaudible) diagnostic data recently, and undoubtedly there was a brilliant group of technicians that went after the defects in this car that probably every other day they probably got right. Any time you go ahead and you have a test is that you'll -- no test is perfect at screening every possible thing to pick out the very best from those who aren't, so all tests in some sense is a little bit of a compromise.

And part of our basic task is like when we have a test to qualify technicians for Smog Check, we have to set standards and we have to set a pass/fail cut point, and in this case we are directed to in fact go ahead and define some criteria to go ahead and select higher performing stations, and we're going to have to have some kind of measurements.

And the fact that I think you're referring in the statements, of course, no matter what you do some of it's going to be imperfect, and that's the nature of tests and setting criteria, and I'm not going to argue that's not the case, I'm sure that there are people that fail an examination that might have been better than the person next to them. I don't think that's an impossibility at all. I think everybody knows somebody who does better at tests than others or whatever else. And at the end of the day all we can do is go ahead and pick out some criteria that seem to be good indicators of what's happening, but they are indicators, though, ultimately, and we do have a series of criteria.

The other thing in talking to the field people one of the things we probably get more feedback on is that they don't do enough repairs, and I can't recall if it's ten repairs in a quarter, but if we don't have data on at least that, then we don't have enough to go ahead and make a determination how the station is doing. But in reality, do we need to go ahead and have a special classification of stations that do thirty repairs in a year, and in general I think we need some shops that are really in the repair business if they're going to be our Gold Shield stations.

MR. GRABER: Could I interrupt you? We're taking up a lot of the panel's time here. Right here,

since I got in the program, these are the cars that I've been allowed to test by year, and you can see that almost everything is 1990 and above. Those cars are not going to fail. I've had five failures in five months of cars 1990 and above.

Cars that are directed to test-only are 1974 and up, and you're not selecting the cars, you're taking them as a group, '74, '75, '76 up to whatever number you need to send to your test lanes. In my area there's a lot of test lanes, so I'm only getting brand new cars. I'm never going to fail any cars, so I'm never going to be a Gold Shield. I'm repairing them, but I can't test them, because they have to go back to the test-only, so you have no statistics on me whatsoever.

How do you do it? How do I become, be able to test vehicles that have failed?

VICE-CHAIR COVELL: I think, Dennis, you have a question?

MEMBER DECOTA: Just a quick one. I think Jeff brings up an excellent point that I'm hearing more and more from members of my association. Due to the fact that the window has narrowed, as Joe just stated, with regards to pass/fail rates to test-and-repair, because of the amount of vehicles being directed to the other testing type, have you revisited those numbers that mandate this program

through regulation to see if they're still representative of what's being directed?

MR. AMLIN: I'm not sure. I guess I'd start off by saying it's not my group that does the Gold Shield selection criteria, and so you can go ahead and pick my brain to death, but the bottom line is I'm saying my knowledge is pretty limited in this area. I know because I've participated in some of the meetings and things like that some of the information.

MEMBER DECOTA: Mr. Hunter just walked in. Would he be --

MR. AMLIN: It's the field. It's field and it's the CAP people, so it's really Mike Vanderlaan or Mike Lafferty or one of those, they're the ones that would be best able to go ahead and talk about that in some detail.

There are a lot of stations that qualify for that (inaudible). This is probably the biggest discriminator out of all this. But I think the best thing is if there's some things that the committee really wants to go ahead and hear about, and I know we went through last year around the Gold Shield and CAP presentations and things like that, that's something that you need a refresher on, it's probably best to just go ahead and schedule that in advance so we can make sure and have the right people here. You know, I try to go ahead and answer every question I can, but

in this case I realize I'm just not the best one to go ahead and be able to answer and respond in detail.

MR. GRABER: I withdraw my question.

MR. AMLIN: Thank you.

VICE-CHAIR COVELL: (Inaudible), did you have something?

MALE VOICE: Yeah, just in response to Mr. DECOTA's query, we'd be happy to work with you on just this whole issue, and so we could do it either formally through this body or we could work with you individually as well just to try to clarify the question.

VICE-CHAIR COVELL: I don't claim to have a handle on the whole issue, but it seems to me that we could set up a scenario, depending on the location of the community that they happen to be in, of actually cars that are residing in the community that if a person tried to do this (inaudible) because vehicle population (inaudible).

MALE VOICE: Well, we should look at that and maybe you could give me your information and we'll follow up in this particular case, and then we can have further discussions.

MEMBER DECOTA: I think that's a great and a very helpful recommendation, thank you.

MALE VOICE: You're welcome. Thank you.

VICE-CHAIR COVELL: Bruce?

MEMBER HOTCHKISS: Yeah, I was just going to say that in many ways this really isn't an issue for the committee. I mean, the problem is that this gentleman and there's probably others out there who don't feel that they have an avenue to appeal, and instead of coming through us, there should be somewhere they should be able to go to someone at BAR to say -

MALE VOICE: Absolutely. And to the extent, Mr. DECOTA, that you're getting inquiries from your members, maybe you and I should meet and we can meet with others and maybe even just work on this. It's up to the committee if you'd like to discuss it here or just let us handle it outside the committee.

MEMBER DECOTA: That's the greatest attitude I've ever seen from BAR. I like it.

MR. GRABER: I like it, too.

MALE VOICE: All right, good. Thank you.

VICE-CHAIR COVELL: Did you have any other questions?

MR. GRABER: Sure did. Directed vehicles in my area now there's a substantial amount of test-only and my number of tests that I'm doing per month is taking a nosedive. I've got five in my area now.

I'll direct it to Rocky. When you're directing cars to test-only and you're starting at 1974 and going up, now I'm getting 1990's and 1993

cars that are going to test-only at this time, and I look for it to go higher as they open more test-onlys. Are you going to take 100 percent of the cars in the 94536 area code and send them to test-only if there are enough test-onlys to have 350 cars per lane?

MR. CARLISLE: I am not doing that anymore, sir, you'd have to direct that to BAR.

MR. GRABER: Good.

MEMBER DECOTA: He works for us now.

VICE-CHAIR COVELL: Yeah, he's staff of the committee.

MR. GRABER: Okay.

VICE-CHAIR COVELL: He switched hats here a few months ago. But that's an inquiry that you should be making to BAR.

MR. GRABER: In our handbook, technician's handbook, it says, "As lanes become available, cars will be directed." Now, I understand that to mean that if BAR is picking up a number of 200, 300 cars per month per lane, if 10 lanes open up in my area code, they could be 100 percent of the cars go to those test-onlys, even though over in another area code there's only one test-only and so they're only getting 350 of those cars, which I don't think is going to happen, that's a large stretch there.

But gentlemen, I got into this program to make a living to keep in the program, and I did it

because when I got out of it, a BAR representative came out and told me if you do any repairs on a vehicle that have to do with smog, we will close your business down.

Now, I went out and spent the \$50,000 for the machine and got my license back, not knowing that you were going to take 100 percent of my business away from that machine. Now, if this is the way America works, buddy, we better go back to Iraq, because we're fighting the wrong people.

VICE-CHAIR COVELL: This is a topic that we probably ought to bring before the committee and have a full airing of, because it is a big issue that we need to get a grip on and make sure that we provide a program that is adequately measuring what's wrong with cars and providing a program where people have the opportunity to get those cars fixed and we can actually clean the air from it. So I would suspect that Chairman Weisser would have a session here where we would air this.

It's a subcommittee topic and it's an issue that -- who's on that subcommittee?

MEMBER LAMARE: Test-only, test-and-repair.

VICE-CHAIR COVELL: So we've got a subcommittee of Jude and Jeff here that, because that has been identified as an issue by the committee that we're going to look into.

MR. GRABER: I get approximately 40 to 50 phone calls a day asking the price of smogs. I get another 10 to 15 cars a day coming into my shop that I have to go up and talk to the customers and explain to them why they've been my customer for 33 years and they no longer use my station and I can't be trusted to smog their vehicle. Now, that to me is just a tremendous slap in the face, and if you think that you can do that 6 days a week, 15 to 20 times a day and watch your profit for your business go across the street and not become emotional or angry at BAR, gentlemen, come and step in my shoes, because I'll take half of your income check that you have.

VICE-CHAIR COVELL: You're talking to the Air Resources Board here, not BAR.

MR. GRABER: Well, Air Resources Board is right up -- Air Resources Board put me out of business when I had a gas station, so you're just coming right on down the line, gentlemen, you're finishing up.

That's all I have.

VICE-CHAIR COVELL: All right, thank you. Lenny, something else?

MR. TRIMLETT: Yes. Just quick policy statement. This whole thing is emphasizing that this is an attempt to destroy the test-and-repair business. Now, I have questions relating to test-only.

Let us assume that I am directed to test-only and I see that on my registration. Number one, I still have the right to go to a pretest and have that vehicle tested and fixed before I go to a test-only on the record, right? Am I correct? Okay.

VICE-CHAIR COVELL: Now what's your question?

MR. TRIMLETT: Okay, now the next question. Let's assume that I go to a pretest, I get that vehicle repaired according to the requirements. Is the program giving credit to that reduction in the emissions? Now, that's question number one.

VICE-CHAIR COVELL: Okay, hang on here a minute. Who'd like to answer that?

MALE VOICE: Yes.

MR. TRIMLETT: The answer is yes? Okay. Now, I'm still trying to get --

VICE-CHAIR COVELL: Hang on a second, Lenny.

MALE VOICE: I think (inaudible) official pre-inspections or not. It's not as an official pre-inspection where all the information is entered (inaudible). But if they only do it as a unofficial pre-inspection where they don't actually log in on the machine, they're not getting any credit.

MR. AMLIN: I understood the question to be does the program get the credit, and I guess I failed in my earlier description in saying that we're looking

at roadside data, we're seeing what are cars doing on the road before they have any of this, pre-inspection, post-inspection, whatever else it is, all the things that happen, and we would look to see what about once they've been through Smog Check and we see what's the difference, and so we get everything.

We look at the tons and the whole (inaudible) here, tons of reductions, change in fleet emissions, we are measuring the fleet and seeing what the effect is after vehicles have been through Smog Check, and so (inaudible) everything. And if they skip Smog Check or anything else, there's nothing to take credit for.

And so I know that there's a recurring theme of thinking that the final little number that comes out of the analyzer is what (inaudible), and that's not correct. So again, we're looking at did it change the fleet emissions, and if it did, we take credit for it.

MR. TRIMLETT: That was not my question. My question is very basically, if I log into the system and I do a full pre-test and my emission reductions get within specs, does that emission reduction done by a pre-test get credit in the program? I don't care about the roadside tests, I want to know about the credit for the pre-test.

VICE-CHAIR COVELL: So if you have a car that's directed to test-only, you're saying that you still have the ability to go anywhere you want and have a pre-test done that you're going to fail, that pre-test shows you would fail, that you can get that car repaired and then go show up at your test-only station (inaudible).

MR. TRIMLETT: Yeah, that's what I want to do. I want to go and do the repairs first and then go to the full test-only.

VICE-CHAIR COVELL: I got you.

MR. TRIMLETT: I want to know if the program gets credit for my reduction based on repairing that in a pre-test.

VICE-CHAIR COVELL: Dave, did you hear that one?

DAVE: Yeah. I think that's one of the ones that was asked and answered. Are you talking about the CAP reduction credit?

MR. TRIMLETT: No. I only want to know, I do a pre-test.

DAVE: Right. I'm saying are you asking is the station getting a credit like the gentleman here who's asking (inaudible)

MR. TRIMLETT: Does the program get the credit for the fact that I reduced emissions when I did my pre-test, yes or no?

DAVE: Yes.

MR. TRIMLETT: So, okay.

VICE-CHAIR COVELL: Even though it was a pre-test, it gets plugged into the system.

MR. TRIMLETT: That's right, it's plugged into the system. Okay. Now, let's assume I've completed my pre-test and I go and I do a test-only. Supposedly we're still looking for some justification for test-only. I didn't get a clear answer as to what the failures were that were identified in test-only that were not identified at a test-and-repair, so I'll ask the question a different way.

What is the relative increase that you can quantify in increased failure rates at a test-only over a test-and-repair? In other words, you're saying that you get a more unbiased test at a test-only station. That must mean that you have some increased failure rate. Can you give me some relative quantifiable measure of what the increase is in the failure rate at a test-only over a test-and-repair?

MR. FLETCHER: That's the number that we actually presented earlier, which is the number that is in EMFAC now, which I think is 9.9 percent failure rate for test-and-repair and I think 25 and change for test-only. Those are the statistics that we are using now.

MR. TRIMLETT: Nine percent for --

VICE-CHAIR COVELL: What that means is that 25 percent of the cars that are tested at test-only stations fail.

MR. FLETCHER: Correct.

VICE-CHAIR COVELL: And 9-point-something percent of the cars tested initially at test-and-repair fail.

MR. FLETCHER: Correct.

VICE-CHAIR COVELL: Okay. That's the total raw data. And I think, Mark, you indicated that when you compensate for the fact that the vehicles that are directed to test-only, which are the HEP profile vehicles, (inaudible), that you adjust for them and you still find that there's a higher rate of failure at test-only than test-and-repair.

Lenny, I think, is asking about, if I've got your question right, what is the nature of these failures?

MR. TRIMLETT: I want to know what is it they're detecting at a test-only that they're not detecting at a test-and-repair? You're saying it's 9 percent at a test-and-repair failure rate versus 25 percent at a test-only station.

VICE-CHAIR COVELL: Compensate out of that 25 percent for the fact that they require the 30-year cars to go there anyway, so it's naturally going to be higher.

MR. TRIMLETT: No, that's not what I'm asking. I'm asking what's the failure that they're detecting at a test-only that they're not detecting at a test-and-repair?

VICE-CHAIR COVELL: Well, it sounds to me like they'd be testing and finding the same kinds of failures except more of them.

MR. TRIMLETT: You answered that.

MR. CARLOCK: BAR has that information.

MR. TRIMLETT: Okay. BAR, what's the failure you're detecting at a test-only that you're not detecting at a test-and-repair? I'm waiting for an answer.

MR. FLETCHER: Well, again, you know, as Dave comes --

MR. AMLIN: Ask the chairman today, it's challenging under the current scenario exactly how we're getting addressed in questions. I've tried to answer any ones I can. I don't have every statistic for every question that will come up today. I don't have it in my hip pocket. You're asking (inaudible), I don't know if one kind of station fails PVC more than the other or if the tailpipe more than the other or whatever. Most of the analysis is typically probably focused around tailpipe or some of the evaporative things, but I couldn't tell you specifically in terms of their adjustment.

VICE-CHAIR COVELL: Okay, Lenny, let's do this. Understanding that we're going to schedule a future meeting with this being the major topic of discussion at that meeting. We've got the nature of the questions that people are concerned about and we will see to it that during the presentation or at least after in the question and answer period that we'll be able to get the answers.

MR. TRIMLETT: Okay.

VICE-CHAIR COVELL: And the data in hand.

MR. TRIMLETT: I think, to be fair and just to close it down, to say if you're going to justify test-only, what is the nature of the failure that you're picking up at a test-only versus a test-and-repair. I think it's a very relevant question.

VICE-CHAIR COVELL: All right.

MR. TRIMLETT: Thank you.

VICE-CHAIR COVELL: Charlie.

MR. PETERS: Mr. Chairman, Mr. Covell and committee. My name is Charlie Peters, Clean Air Performance Professionals and I'm here today representing motorists. The committee has been provided a series of information concerning U-Haul, and now that we have the Air Resources Board here, the Air Resources Board that responded to the Senator's

question on this, maybe they could provide us with a little more light on the subject.

Yesterday I went over to the coast of the peninsula in San Francisco, and on the way back on Highway 92 I stopped by the U-Haul facility and noted for all intents and purposes (inaudible) Arizona plate. Virtually every or most of the vehicles on the lot have a permanently painted sign on the truck indicating that local phone number, and so it would appear to me as though those vehicles would more than likely not participate in California's Smog Check Program, but they aren't getting called in for a biennial inspection because they'd call from Arizona to here.

But my question is, if that was one example, what kind of examples is the Air Resources Board aware of that fall under those categories as well as cars where zip codes change and it takes from one to five years before they get worked into the program, what kind of usage in the enhanced areas based on cars being registered in other states, registered out of state with zip codes going to BAR's Smog Check, registered to zip codes that have been changed and not incorporated into the Smog Check Program, what kind of cars, what kind of fleet is there and what kind of available emission reductions are available from that, is the question?

MR. FLETCHER: I mean, it's always a challenge trying to figure out what are out-of-state vehicles and what kind of fuel are they using, these are adjustments that we're always struggling to try to make. I'll ask Mark to go ahead and identify how we handle those sorts of things in the EMFAC model and we are certainly open to taking a more serious look on that if anybody has any better data than what we have right now, because it is clearly a challenge for us to do.

MR. CARLOCK: On the specific question about the U-Hauls, as soon as you brought it to my attention, we did have field staff go out there, and as far as I know, there is a report. However, I didn't get it, so I can't tell you what their response was to that, but I can tell you I can get the report for you on the U-Hauls.

As far as what vehicles are in the program and what vehicles are not in the program, we work with BAR who reports to us by zip code what kind of program these vehicles are in, and then we analyze the DMV database for what kind of vehicles are in those zip codes, so we get an empirical count of what is registered in that area.

To the extent that the vehicles are not registered or if they are registered out of state, we don't count them, okay. Now, we have an adjustment

for the larger trucks because we know they have apportioned registration, we know about those, but for someone who's registered their vehicle to a post office box in Oregon like my brother-in-law, it's not going to show up.

MR. PETERS: The question there is, I would guess that just as a (inaudible), that you probably have 10,000 to 30,000 U-Hauls running around the State of California with Arizona plates that don't get a Smog Check. Now, those vehicles probably looked to me to be 20 years old as an average, 15, 20 years old. There's got to be some sort of an opportunity, but is that just a little tiny indication of an additional problem? And I believe that there's probably people at the Air Resources Board who in fact are aware of that, and I'm under the understanding that the legal division of the Air Resources Board is actually looking into some of the details of this and I'd like very much to have the details of the information that you have and what kind of opportunities are available here.

MR. CARLOCK: As I said, we did act on your recommendation, your complaint. I know there is a report available and I can get it to you as soon as I can get my hands on it.

VICE-CHAIR COVELL: If I'm to understand, these vehicles that operate in California or spend so

much time here are required to be registered in the state, but I don't know what the timeframe is there, unless this is something that (inaudible). But it seems to me there's a requirement that you get the car registered in the state at some point, and if they aren't, is there an understanding that they don't have to, and I'm wondering is there a dispensation in the law for these vehicles that are rented out as for the passenger cars that are moving around in fleets that operate rental cars or whether it's a U-Haul truck that you can rent that moves around the country as well, do we have some kind of special dispensation in the law on this.

And I guess what Charlie's trying to focus in on here is that he's running around looking at these places, and as he indicated at this one place he saw the other day, he said every vehicle in there had an Arizona plate on it. Every vehicle had a sign on the side of it advertising its availability and an Arizona number on it.

MR. PETERS: No, no, no, no. Local.

VICE-CHAIR COVELL: The local number, okay.

MR. PETERS: The 5-1-0 local phone number on a Arizona plated car, so we're not getting any of the benefits. We have a huge budget shortfall, we're not collecting any money.

VICE-CHAIR COVELL: The conclusion from that is that the local number advertising its availability and an Arizona plate —

MR. PETERS: Permanently painted on the side of it, yes.

VICE-CHAIR COVELL: — is spending more time in California than it probably should and we're not getting any Smog Check benefit.

Rocky?

MR. CARLISLE: I was just going to comment, you're asking how long they have. They have 20 days after they enter the state to register a vehicle in the state.

VICE-CHAIR COVELL: Unless they're identified as a rental belonging to a rental agency?

MR. CARLISLE: Yeah, rental is a little bit different. I'm not sure (inaudible).

MR. PETERS: But one of the other items that I mentioned —

VICE-CHAIR COVELL: Hang on, Charlie.

MR. PETERS: Yes, please.

MR. FLETCHER: Well, I was just going to make the general comment that we are so short of emission reductions in the state that if there is any sort of mechanism that's out there that we're not capturing, then it certainly would be something that we would want to look at and try to figure out, number

one, whether we have the authority to do anything about it; and then number two, is it cost-effective to bring those in.

And our motor vehicle emissions inventory is, you know, there's a fair number of assumptions in that emissions inventory and what we're looking at is not necessarily what's happening to an individual vehicle, but are we reasonably representing the motor vehicle fleet. So if we are missing a few cars or a few trucks, we have to look at the resources it takes to go after those and determine whether that's a cost-effective effort or not. That's not to say that we wouldn't and where there are fleets that we are not addressing that we should, then by all means that we should take a close look at that.

So just in general, we are on the hunt for emission reductions, so if there's valid sources out there, we'll want to try to track them down.

VICE-CHAIR COVELL: Well, again, that was one of our contentions when we were pushing hard for Smog Check in the Bay Area, because the scenario here was we had companies that are headquartered in the Bay Area but had fleets sitting over here (inaudible) were in competition with companies who are headquartered here that had their vehicles smog checked. It's really an unfair competition that their competitor would sit here with a fleet that's registered over the

hill and not have to go through the same smog program that those operating in the smoggy area had to meet, so that was one of the things we pushed. And I would agree that we're certainly short on emission reductions, so somehow we need to determine if this is something we can get a handle on and go after.

MR. PETERS: The other part of that question, Mr. Covell, was, as an example, in 1984 when it went into the program I was right next to Redlands and the north section of Redlands was the lower income section of Redlands and there was approximately five years and they changed the zip code there, but it was five years before any of those cars came into the program. So looking at the issue of new zip codes and whether or not they're in areas that in fact should require Smog Check, how soon they're getting in. The dancing zip codes is also potentially a very significant opportunity for improvement.

VICE-CHAIR COVELL: Yeah, we were talking about that this morning during the presentation. It was more of a problem previously than it is now because it's incumbent upon the local areas to identify those populated zip codes to BAR and get them initiated in and getting the program expanded to those areas, and I think that there's probably some that slipped through the cracks and in years past. It happened right here.

MR. PETERS: Well, I brought to the committee a situation in Corona and it took us a year and a half of bringing it to the committee to get those cars back in the program, and when they brought them back in they brought them all in the first year, so one year they get lots of Smog Checks and the next year they get none, so bringing it to the committee and the Bureau of Automotive Repair it took a year and a half to get those cars back in the program.

VICE-CHAIR COVELL: What I'm telling you is that in the law it's the local air district's responsibility to notify them to get these zip codes in, and if you made that notification to the South Coast Air District it probably could have happened sooner than it did in this case.

MR. PETERS: Well, if you don't straighten out I'm going to see that you lose your job here, sir.

VICE-CHAIR COVELL: All right. Any other questions? Chris?

MR. ERVINE: I have a question but it's not pertaining to them. Are we still going to have questions at the end of the meeting?

VICE-CHAIR COVELL: Well, I'll tell you what. Why don't you ask it now because we wanted to get into a discussion about the committee report on the program and the data that might be available that these folks might have.

MR. ERVINE: All right. I regret that the last meeting I wasn't able to attend, I was on vacation, and I didn't get to witness the BAR demonstration of the evap tester. My understanding of the evap tester is that it's not anything that industry wants.

We are looking for a piece of equipment that can be used universally to do other things besides just test the evap system. We need something that can detect the leak as well as find out and pinpoint where the leak is, and the suggestion that BAR is making on how to determine where the leak is is just short of ridiculous. Their suggestion is to pressurize the system and go over the whole system using the BAR 97 analyzer. In the dead of winter you're not going to get any evaporative emissions off that gastank to be able to detect.

And in many shops, including mine, the smog bay is isolated from the rest of the shop. We do not have a hoist available, so we can't climb around underneath the car. Many of the evap canisters now are buried up on top of the gastank underneath the car where you can't even get to them. Barely you can see them.

We need something, a smoke generator that you can plug into this thing and it'll direct you right to the leak. They're very fast, they're very

efficient, and for the price that they're wanting for the tester that BAR is suggesting that we purchase, we could probably do the same thing with a tester that has a smoke generator as part of the system. And I think that what we need to do is we need to send BAR back to the drawing table on this and we need to come up with a tester that the industry wants, something that we can use to find vacuum leaks in an engine, something that we can use to find vacuum leaks underneath the dashboard of a vehicle because the air conditioning system doesn't work right. There's a lot of other uses that the smoke generator can be used for besides just emission testing, and I think it would become a much more valuable tool and it would be a lot more readily accepted by industry if we had something that was that versatile. Thank you.

VICE-CHAIR COVELL: Thank you. Larry.

MR. ARMSTRONG: Yes, my name again is Larry Armstrong. I know the committee is trying to move forward so I'll go over it rapidly here.

In this discussion about pre-tests, I do not have the current what I call the tan handbook, BAR handbook, but I believe in the one that I have, it's not that old, says that pre-tests are not transmitted to the VID. I think it says in there by law, and so I'll have to get a current book and see what it says, but I know I've seen that several times in the edition

that I have. I know that they are transmitted, which is why it seemed kind of interesting to me that it said that they weren't transmitted, but they are.

Statistics have been thrown around here about 25 percent, 9.9 percent –

VICE-CHAIR COVELL: Larry, let me get clarification on what you just said. Are you saying that – and we're talking about the pre-test data, right?

MR. ARMSTRONG: Yes, sir.

VICE-CHAIR COVELL: Okay. Your contention is that you understood that is was –

MR. ARMSTRONG: I've got a book that says that it is not transmitted to the VID.

VICE-CHAIR COVELL: And that book is from?

MR. ARMSTRONG: I think 2001.

VICE-CHAIR COVELL: Did BAR put it out?

MR. ARMSTRONG: It's the BAR manual. I have to go back and check. Again, I'm not going to get hung on this one because – but I remember seeing it just the other day, so I'm pretty sure it's in the 2001 book and it says that that information is not transmitted. My guys will tell you the machine fires up and transmits information, though.

VICE-CHAIR COVELL: I think Mr. Amlin said earlier that it is.

MR. ARMSTRONG: The other thing is we talked about percentages, 25 percent to test-only, 9.9 percent at test-and-repair. I would like to have it clarified for me because there's three different types of vehicles that are going into a test-only station. There's directed vehicles, there are the random vehicles and then there are volunteer vehicles that are going in, and --

VICE-CHAIR COVELL: Random aren't part of the directed.

MR. ARMSTRONG: They're directed but they're not supposedly part of the HEP thing, they're just a random vehicle. Actually, they don't follow the law in the way those vehicles are directed anyhow, and I've presented to the committee before. I think the HEP things are only supposed to be like 2 or 3 percent, and we're cranking 50 percent of the vehicles into test-only. And volunteers were supposed to be included.

But BAR used to produce statistics in their newsletter that showed the fail rates separated out between directed, random and volunteers, and there's a tremendous difference in those percentages, so I'd like to know which one of those the 25 percent is and what the percentage rate is of the volunteers compared to test-and-repair, because it used to be about a 2-percent differential.

One last thing that I'll say is our guys are telling us in the Bay Area that '98 and '99 cars are coming in with that they've had to turn away as test-only cars now, today. 1998 and 1999 cars.

VICE-CHAIR COVELL: Okay. Gerald.

MR. GRABER: I'll make it quick. Gerald Graber with Glenmore Auto Repair. I'm going to direct my question to the gentleman, Yeah, the one that's looking out the door. You said your son's car went to a repair station and you didn't know who it was and they failed his car. And then you said, if I would have used my regular repair facility who you've known and trusted and had an allegiance with for years and cares whether your son goes out in a vehicle and makes sure that it's safe for the highway, that that would have never happened.

What I can't get a handle on or maybe you can explain it to me, what is the reason for BAR and the Air Resources Board villainizing the test-and-repair, when you yourself said that if you go into a test-only they don't give a rat's patootie. They fail you and tell you to get out. And then you go to your person that you know and explain it to him for two hours at no pay.

Gentlemen, where are going here? And ladies. I guess I just don't see where I think that all this is a sham and there's something terribly

underlying in it that comes down to getting rid of test-and-repair, and I don't think we're addressing that issue. And gentlemen, if that's what you're doing and you sit there and look like our secretary of state, like he doesn't know what he's doing either, believe me, he does, and I think you do, too. So I think that we'd all like to have an answer to it.

MR. CARLOCK: Is that a question?

MR. GRABER: Yeah.

MR. CARLOCK: I don't think I was trying to villainize test-and-repair. In fact, I made the comment in response to what might be the difference between the failure rate in test-only and test-and-repair, and the difference was when my son took the car to test-only they simply failed it and did not care what was wrong with it. That could cause a difference between the inherent failure rate. I was making no comment as to whether that was better or worse, simply that is an explanation as to why there might be failures.

MR. GRABER: Do you have an opinion on it? I presume that both you and your son drive cars, and all of us here are concerned with clean air. Why is it that so many cars are being sent to test-only? There has to be a reason they're going there because you think we're doing a bad job, or we'd be able to get the business.

MR. CARLOCK: I don't think that's -

MR. GRABER: So what's the reason you're taking my customers away from me?

MR. CARLOCK: I don't think that's necessarily the case.

MR. GRABER: Well, if I were in 1936 Germany and I was Jewish and you said nobody could come, my customers can't come to me anymore, they have to go next door, I'd think that you might think a little bit differently.

MEMBER LAMARE: Mr. Chairman, I've heard a lot of questions being asked and there isn't a lot of opportunity being given for answers or for the appropriate person to answer the question. I'm objecting to the process.

MR. GRABER: I'm objecting to the process, too, Judith, quite vehemently.

VICE-CHAIR COVELL: All right. The point is that when you ask a question, give time to respond.

MR. GRABER: Okay.

MR. FLETCHER: Well, let me just try to give our perspective on it. We certainly are not out to get rid of test-and-repair stations, that's certainly not one of our objections and not one of our initiatives and we don't sit around trying to figure out how to do this.

What I think that we're driven by is the data that's coming in off the system, and if there is a reason or additional information that could be gathered or data that could be analyzed in a different way than what we're doing it, we are certainly willing to take a look at that and talk to folks who have looked at the information that's available and try to better analyze it or collect additional data to help clarify the situation, but right now we're working off the data that we have available that is telling us one thing and we're hearing from others that maybe that's not the case, but as we go through as a technical agency, then we're trying to do the best job we can at looking at the data that we have available to us, and that data is showing that test-only have a higher failure rate. And there may be a number of reasons for that and maybe we need to do a better job of assessing and explaining what those reasons are and gathering as much information as we can about it, but I do sort of object to the concept that we are out to get a particular part of the industry because I don't really believe that that is the case.

MR. GRABER: Well, you'd have to be sitting in my seat and you would think differently.

MR. FLETCHER: Yeah, I understand.

MR. GRABER: But we've got the statistics, I have the statistics with me right now that I'm testing

cars 2000 to 1994. They're testing cars '94 to '74. What's going to fail more?

Like I give the example of the doctor. If you're sending him only 99-year-old patients, probably most of them are going to die, (inaudible).

VICE-CHAIR COVELL: We're going to make that the topic of a meeting and the focus will be that and we'll have the people there to talk about the basis for test-only versus test-and-repair.

MR. GRABER: Can we have the people there that also are doing this modus ponian type statistical analysis to generate I think what you want to get and not what is reality? We need the people that are doing that.

VICE-CHAIR COVELL: Okay. Thank you.

MR. GRABER: Thank you.

VICE-CHAIR COVELL: We have a couple questions. Mark, you have a question?

MEMBER MARTIN: Yeah, I've got an underlying concern that it seems to be that we have a program that has been arrested in collecting statistics on failures. A question that was asked by Mr. Peters earlier is if we had double the amount of failures does the program benefit statistically, and the short answer was, yes, the program would, of course.

And it seems like with some of the comments and questions regarding test-and-repair and if we know

that there's a completely different set of dynamics at a test-and-repair facility when a vehicle is tested versus test-only, we're not necessarily giving proper credit where credit is due for the test-and-repair industry, and I do have a concern that we're creating a change in the program directing more to test-only without having many of these important questions answered first, and I guess it's more of a statement than a question.

VICE-CHAIR COVELL: Okay. A question here, Jude?

MEMBER LAMARE: A little statement on my part. First of all, I pledge to everyone here that I will keep an open mind and look at all the data and think very, very hard about this issue. Jeffrey and I have been put on a subcommittee to be very thorough and very thoughtful about it.

At the same time, I would like to request that all the folks who are here from the industry, the test-and-repair industry that believes they're being mistreated, would carefully read the draft report from the bureau and ARB and read all the written analyses that are available and carefully think about those numbers, because I am not going to be sitting here and be intimidated by people who are angry, and I want you to think as hard as I'm going to be thinking. Thank you.

VICE-CHAIR COVELL: Okay. You have a comment regarding the technical analysis stuff or is it something else?

MR. TRIMLETT: This is directed to test-only, I have one question for the members of CARB. I'll keep it short.

VICE-CHAIR COVELL: Lenny, if it has something to do with what we're going to be talking about at a meeting that will focus on test-only, I'd rather you bring your question then.

MR. TRIMLETT: I have just one question for the members of CARB here. Are you people trying to create throwaway cars by directing everything to test-only? All the cars -- you're increasing the number of cars going to test-only. I want to know if they are trying to create throwaway cars.

MR. FLETCHER: No.

MR. CARLOCK: Okay.

MR. TRIMLETT: Not obvious by evidence. Thank you.

VICE-CHAIR COVELL: Dave.

MR. AMLIN: I just want to comment. In the last few minutes there's been a lot of statements here about increasing. Like I stated in the report, besides the Bay Area which was probably still ramping up and not all the areas had a capacity, but everywhere else in the state we've been flat since

2002, and so again, I don't know if it's a misperception or a misstatement or what, but when somebody says you're increasing, you're increasing, we're not increasing. The only place that has any ramping up is some portions of the Bay Area that aren't at 36, but we've been there for everywhere else and that's it.

VICE-CHAIR COVELL: You're referring to the increasing number as a result of ramping up the test-only portion of the program in the Bay Area?

MR. ARMSTRONG: Yeah, just that there weren't test-ONLYs in some portions of the Bay Area, that's it. But everywhere else, we're flat. If people are having a change in their business it's because they have different competitors or people are choosing places they go voluntarily or whatever else. That's it, we don't have, as I stated before, (inaudible) same thing. We don't have a plan at this time. We have had no discussions with Air Resources Board of increasing. There's nothing in place that we're doing to increase. It seems to be a (inaudible) capturing lots of high emitting vehicles.

So again, nothing is really happening and if there's a perception or a conspiracy theory that there's a secret plan, I can say that if there is some secret, I don't know about it.

VICE-CHAIR COVELL: I appreciate that. As I say, if I can convince the chairman, which I don't think will take much, we'll have a program that focuses on test-only versus test-and-repair here at a meeting in the not too distant future.

Charlie, you've got your hand up. Is the question related to the technical analysis stuff? I want to wrap this up as soon as we can because we want to have some discussion amongst the committee or these folks that are still here relative to data needs, get a feel for the status of the subcommittee work effort.

MR. PETERS: Yes, thank you, Mr. Chairman and committee. My name is Charlie Peters, Clean Air Performance Professionals, we're here today representing motorists.

The gentleman from the Air Resources Board, and I'm remiss because I don't remember his name, the gentleman in the middle, made something, and I'll kind of paraphrase that —

VICE-CHAIR COVELL: The gentleman in the middle?

MR. PETERS: Yes, sir.

VICE-CHAIR COVELL: That's Bob Fletcher.

MR. PETERS: Mr. Fletcher — indicated that efforts to get (inaudible) and to create the best program that you can have I find very commendable and appreciative about that.

In 1993 there was a number of people who met with the Bureau of Automotive Repair and talked to them about those kinds of concerns, and there was a pilot study approved to start within 45 days that could identify how the system was working and if we could improve the system. And I would be very honored to meet with the gentleman and make some suggestions. I have a fairly strong opinion that with an auditing process we can learn an awful lot about what is going on in the market and whether or not cars are being fixed off site because they know they're going to have to meet Larry Armstrong at some time and he's going to fail their car and so on and so forth, and could maybe put an awful lot of light to do things in a way that would work much better for our air, much better for the consumers, and might improve things quite a lot, and so I would certainly volunteer to travel down to southern California and meet with the gentleman to put together possibly something here to create some discussion over possibilities for his consideration and/or the committee's consideration.

I believe that an audit system where you're really looking at the total impacts of ancillary effects and how the system really works, and seeing that what's broken actually gets fixed, might create a huge benefit to the State of California and to this committee and the Legislature with the current

situation in the State of California and this country and our world today, I think it's time to give some consideration that maybe we need to create an appropriate relationship with small business in California that creates a better treatment of the public and better treatment of the air.

VICE-CHAIR COVELL: Thank you, Charlie.

— oOo —

Okay, that concludes the questions and comments. Gentlemen, I want to thank you for spending the better part of your day in here with us today sharing this information.

Now, as I understand it, there is a technical support document that's going to be released at some point in the near future that's basically the written stuff of what you've related to us today, and that today's presentation was kind of a preamble to that technical support document being made available?

MR. FLETCHER: In general that's correct, although there is substantially more detail on the analysis that Sierra has done with a lot of the data, which I did not go into today.

VICE-CHAIR COVELL: Okay. I bring that up, committee members, basically because there's probably going to be a lot of data in there that's going to be useful to the subcommittees as we begin to deal with

the issues of the various tasks that we have ahead of us.

A quick run-through in looking at the 16 subcommittee titles that we've got, 9 of those focus directly on issues that are covered within the BAR report, and the remaining do not.

Keep in mind, the task, as I understand it, before this committee is not just to comment on the adequacy or lack thereof of any report submitted by BAR or CARB with regard to the program, but to develop a report to the Legislature that analyzes the Smog Check Program and makes recommendations for how it might be improved and make those recommendations to the Legislature. So what I'm getting at here is, as far as these subcommittee assignments, is that the report we put together doesn't have to stay within the confines of items that are within the BAR/CARB report. It would be good to identify those and to comment on them and make recommendations or concur with the recommendations if we see fit to do that that are in the BAR/CARB report, and then perhaps go beyond that with any other recommendations for improvements that we might have.

By the same token, I don't think it's necessary for us to have completely dealt with and completed an analysis and recommendation on every one of these issues, but that we can clearly set the goal

that some of these would get identified as issues that need further study, and that's perhaps the recommendation to the Legislature, subject to key issues we've identified with inadequate data to give us a direction right now to recommend that that be a candidate for further study.

So what I'd like to do in the time remaining here today, based on some subcommittee meetings, if you've got any feel for any of the types of data that you're going to have need of in doing the analysis of your particular subject material, that we may be looking to the folks sitting here in the room at the front table for the determination of the availability of it, and if you have any questions of these folks right now, I'd suggest that you ask them while they're here and get a feel for what kind of data might be available where.

I know in the case of committee number six that determining causes of program avoidance, Gideon and I had a chance to get together with Rocky in a conference call here last week to try to ferret that out and determine what are the parameters of a report like that, and Gideon supplied me with a full page of notes that came out of that in terms of topics associated with that issue that we may be looking at. Now, some of that may be able to readily answer based on data that's available somewhere, some of it won't.

So are there at this point any questions that you would have of these folks, including (inaudible)? I guess, James, you're it.

MR. GOLDSTENE: I'm it.

VICE-CHAIR COVELL: The data that you'll be looking to have a need for, that these folks might be able to supply to you in the course of your work effort to get that part of your report done. That's just a general question to the committee. Jude?

MEMBER LAMARE: Let's see, I'm talking about subcommittee eight here, consumer information requirements. Paul and I have been talking about that, and we had some data made available to us from the bureau specifically about the consumer assistance program that was provided to some other groups that had questions about how that program was working. We've been reviewing that and we've had some additional questions which we've forwarded to the bureau. So I think in that regard, we will be getting more information and maybe we can package it in a way to share it with the rest of the committee.

I had made a recommendation to our subcommittee that we actually conduct a consumer survey, and I think as an independent review board for the program that is reviewed by the bureau and ARB, that we have the responsibility to check in with the

public on a much broader scale than we can do in this workshop.

Even with the upcoming webcast, which I think is a big improvement, we still aren't really independently collecting information in a scientific way from the public, and I very much would like to see motorists who have been through Smog Check very recently in the last six months, particularly those who failed, particularly those who may be eligible for income eligibility in the CAP program, to have an opportunity to provide their opinions about the program's worth based on their first-hand experience through a neutral source, a neutral market research firm that has experience in talking with the public. I've requested that. I don't know that there's going to be any opportunity to do it.

VICE-CHAIR COVELL: Let me comment on that, if I might. You heard Rocky this morning when he gave kind of a brief response to you regarding the meeting that we had with BAR and CARB on the ability of us to contract out for some of the data needs that we need for our report. As I understand it, the budget for our operations, day-to-day operations and reimbursement to you for your travel costs, the salary for Rocky for support of this committee and the day-to-day activities are carried in the Bureau of Automotive Repair's budget.

Contracting monies for research needs, for investigation needs and so on for the committee are carried in the CARB budget. Unfortunately, that agency by Cal-EPA was directed to reduce contracting revenues as a part of their budget reductions. As I understand it, there isn't any money available right now for contract work per se.

In our discussions with BAR and CARB, they did indicate that if we have some specific requests for work effort, we should get those together and see if there is an opportunity to plug some of that data information we need into something that they may have that's underway or if there's some opportunity within the framework of the revenues that they have that we might be able to meet the data needs.

But you'd requested a meeting sometime before this meeting, Jude, that was to see if we could identify something like \$25,000 for a consumer survey, and I don't see that being in the cards the way the budget stands right now, but that doesn't mean we won't do anything. So the response I got back from these folks was that, if we can be as specific as possible as to what our needs are, that they'll see what might be able to be accomplished with the existing revenue without contracting (inaudible).

Is that a fair characterization of what we discussed the other day?

MR. FLETCHER: I wasn't in on the discussion, but that is my understanding of what the situation is.

MR. GOLDSTENE: Yes, that's a fair characterization. So as your requests get refined, if you'll let us know, we'll see what we can do.

VICE-CHAIR COVELL: Yeah. And also, if we've got some concerns, ideas, what surfaced I think as a result of our discussions here today as it relates to this subcommittee that you and Jeff are on related to test-only versus test-and-repair, that if we've got specific concerns, we can pull those together and then call on BAR and ARB to come in and tell us what they know about that topic, we have that capability. So, in keying up for a future meeting this issue of test-and-repair versus test-only, we need to do that, then, try to get as specific as you can on what we want and make that request of the two agencies. The one to talk to is Rocky.

MR. CARLISLE: Mr. Chairman, I just have a request. Since there appear to be two issues as a result of today's meeting that are hot topics, one being test-only, which always is, but the other is Gold Shield, maybe we could combine that into one meeting and have the experts from ARB and BAR both and have that the focus of one meeting a couple of months down the road. My thought would be that if the

committee authorizes that, I can go ahead and put that in the planning stages and we could make sure we have the appropriate personnel on board at that meeting.

VICE-CHAIR COVELL: Okay. Well, why don't we do that at this point. Rocky's identified two issues, one of which I think I've expounded upon, the other one that did take up a bit of time related to the Gold Shield station issue. Would that be the desire of this committee that we have a meeting focused on those two items? Dennis?

MEMBER DECOTA: Just a comment. I think that Jude and Jeffrey should give us their report with regards to test-only. I think we've discussed this ad nauseam and, you know, we need to allow the committee to do some work and hear it as an entire committee on what they come up with, so I think that's a waste, a basic waste of time just to rehash this months down the road. I think that part of our report and assignment will be done before that by these two committee members, and I, as an industry representative, I'm very willing to wait to hear what they have to say.

MR. CARLISLE: Well, that's what I'm suggesting is that it be a ways down the road so the subcommittees do have time to work out some, you know, give the committee a report, but by the same token, incorporate that into the meeting.

MEMBER DECOTA: I mean, we've heard on the Gold Shield and test-only issues, and we've heard on the Gold Shield issue about directing vehicles for a long time, too. I mean, this is nothing brand new.

MR. CARLISLE: I agree.

MEMBER DECOTA: I don't think we should eat up valuable time away from committee assignments right now to do what we need to do, and that's evaluate and make our recommendations, and I would hope that we would not vary from that goal. I hope we can, you know, our heels are to the fire on getting our sections done as subcommittees and then getting this proposal put together as best we can. That's my recommendation.

VICE-CHAIR COVELL: Any comments from the committee? Do you concur with Dennis's approach?

COMMITTEE MEMBER: I would like to have the committee entertain a motion to set something up to have a more open forum on discussing this issue because I think it's an important issue for history and I think it's an important issue for this committee. Quite frankly, I think it might benefit the subcommittee to hear more of this information prior to rendering a decision on a recommendation.

MR. CARLISLE: Well, Mr. Goldstene just mentioned, too, maybe it would be advantageous for the subcommittee to have a workshop, if you will.

MEMBER DECOTA: Oh, that's cool.

VICE-CHAIR COVELL: How I envision this process playing out as the subcommittees work on this they're going to be contacting a number of people, and we need to be provided the opportunity as we put this together to get stakeholder input from interested stakeholders and the public that utilizes the program, and to comply with the law, and then following that a report is assembled with findings and recommendations. We don't do this in isolation (inaudible).

So what that would mean is that the issue of test-only would kind of go around the dark side of the moon while it's worked on by the subcommittee. The subcommittee then would be expected to collect the data that's out there, bring the people in, talk to them about this thing, and then report out on their aspect of the report when (inaudible) and deal with it (inaudible).

MR. CARLISLE: Okay, good enough.

MEMBER DECOTA: Sounds good.

VICE-CHAIR COVELL: All right. What I want to focus on here is what we may be asking these guys for, because if we're done with them, they've sat here long enough today, so are there any issues that we want to direct to them. Dennis, you want to go first?

MEMBER DECOTA: I'll make it really quick. I'd like to have all the data that you can supply

Committee Member Martin and myself in regards to idle tests back to the BAR 90 program, what type of emissions are pinpointed, the amount of reductions and percentage of those emissions that were reduced. And if you have any information or data with regards to the two-speed idle test in conjunction with an I&M 240 ASM test.

MR. GOLDSTENE: I guess I'll follow up on that. We understand that there are vehicles out there that would pass an ASM test that might fail the old BAR 90 idle test, and that we're concerned about any missing emission reductions that might be involved, and if there's a way to capture those missing emission reductions. So I guess, you know, that's part of what we're really trying to get our teeth into here.

MEMBER DECOTA: We also need to know, if possible, what the false failure/false pass rates are for test-only versus test-and-repair, we need to take a look at that.

MR. FLETCHER: Norm, if I might suggest that to make sure that we get the request down, it would be helpful if you could just, you know, we don't need a formal memo but if you would just jot the information down I want to make sure that we adequately get the request, and I'm writing notes here and I'm getting about three-fourths of what you ask.

MEMBER DECOTA: I understand. We have such a superior staff that they have every word on tape and they will deliver this to you.

MR. FLETCHER: Okay, that would be fine.

MEMBER DECOTA: But the last thing that I think that we'll need is with regards to preconditioning. We need to have information with regards to preconditioning and success and failures that we have data on that we can take and look at.

And then the last part of our chore is to improve performance through tighter emissions standards. I guess the one question I have, I don't know if we have to go to legal for this or not, but what legal right does industry have to sell to a consumer a repair that would be above the minimum emission reduction? We believe that that's a conflict, you know, basically that our members have in performing Smog Checks that would create higher emission reductions at higher cost to consumers, so we need some help. We need to understand how best to work with industry in that regard. In other words, it's a double standard, okay, as the law is written today, and we need clarification on that to make a recommendation. Because you can't charge a shop with not getting sufficient reductions in an area when in essence they're breaking the law by selling the

consumer more of a repair than they actually need. We need to clarify that.

That's all I have, thank you.

MR. FLETCHER: Can I ask one question, and if these guys have any other clarifications. Which subcommittee is this, what is your charge to look at?

MEMBER DECOTA: Our charge is, actually it's -- do you have a copy of the subcommittees?

MR. FLETCHER: I do not.

MEMBER DECOTA: Committee staff will give you one. It's subcommittee number one and subcommittee number fourteen, and I've got to check with the boss before I go after you on the other one, which is subcommittee number nine.

MR. FLETCHER: Okay. Thanks, that's helps.

VICE-CHAIR COVELL: Jeffrey?

MEMBER WILLIAMS: As you can see from this list, I drew the lot on subcommittee five, compare test-only and test-and-repair, and I'm just concerned about the data that you have for your model, perhaps Sierra Research compiled it, but is it broken down by county or by car or by facility that's doing the testing so that when you compare test-only and test-and-repair, I guess my real question is in your great model is there a (inaudible) differential among the 25 percent and 10 percent, those kind of issues?

MR. CARLOCK: I think you're actually asking a couple questions. One is, as far as the failure rates between test-only and its subpopulation such as random versus voluntary versus directed, we get those reports directly from BAR and they are area specific.

As far as the model and how the model works, it is area specific in that the fleet is area specific. The failure rates and responses of vehicles to the different programs are the same. That is, a 1987 vehicle in Los Angeles subject to the same program as a 1987 vehicle in -- I won't say the Bay Area, but anywhere else would respond the same given that the fleets are younger or older by location, there is a geographical difference.

MEMBER WILLIAMS: So on the raw data really to just test-only and test-and-repair I need to be talking to BAR.

MR. CARLOCK: The raw data, yes.

MEMBER WILLIAMS: That saves me some trouble.

MR. FLETCHER: Well, but we'd be happy to facilitate that discussion so that we hear it.

VICE-CHAIR COVELL: Okay. Other inquiries, questions, concerns of the committee? All right.

Gentlemen, thank you again for spending your time with us today.

MR. FLETCHER: Well, thank you and we appreciate the opportunity. And if you have additional data requests that you haven't thought about today, then we would certainly be happy to provide that assistance, and just feel free to call us. We're happy to sit down and walk through any data that we have.

VICE-CHAIR COVELL: All right, thank you very much.

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Okay, are there other questions, comments from the public on anything? Larry.

MR. ARMSTRONG: Yes, my name again is Larry Armstrong. As I sat and listened to Ms. Lamare's comments about test-only, it brought back concerns that I have. I don't know that given her employer and her employer's stance on the adoption of the current Smog Check Program, I feel uncomfortable thinking that she may not be able to be as independent minded as she says she would be and I'd like to go on record as asking that she consider and this committee consider having her recuse herself from the subcommittee on test-only so that we can be assured, industry can be assured that hopefully somebody can go at it without have an employer relationship that might get in the middle. Thank you.

VICE-CHAIR COVELL: Thank you for your comment. I guess my response to that would be that individuals are appointed to this committee based on their expertise and understanding and interest in this program and as it's implemented in its ability to clean the air within the State of California. We have a tremendous workload ahead of us relative to the issues and topics of concern to try to make this program as effective as it can possibly be.

My hope and certainly my intent and I know our chairman's intent is to develop and implement a process for the development of the report that would erase anybody's ability to influence it individually, because it's going to provide the opportunities for input from a cross-section of folks that have an interest in the program, and that all that would be aired in an equal way for consideration as we develop the report and findings on any of the many topics that we will be working on. And to the extent that it doesn't agree I think there's a chastisement (inaudible) tell the committee members that would probably minimize the potential for that to happen.

Anybody else care to address anything?
Anything else the committee members have to say?

MEMBER LAMARE: Yeah, I did want to return again to the issue of who employs me and clarify again for members of the audience and the committee that I

am self-employed and that I manage a project for the American Lung Association as my major client, but it hopefully will be of some reassurance that my work as manager of the Cleaner Air Partnership has never and does not involve any issue around test-only or test-and-repair, and that I have never worked for the American Lung Association as an advocate advocating one type of Smog Check Program over another type of Smog Check Program, so I don't really feel that I have a vested interest, a past history or some kind of ego stake in what's going on in the issue between test-only and test-and-repair, so I don't really think I have a conflict of interest. Thank you.

VICE-CHAIR COVELL: Thank you, Jude. Okay, the next meeting date, Rocky, is what?

MR. CARLISLE: June 22nd.

VICE-CHAIR COVELL: June 22nd. Is there any further business to come before the committee today?

MR. CARLISLE: At the Air Resources Board and it's going to be webcast.

VICE-CHAIR COVELL: Okay, what's the address?

MR. CARLISLE: I think it's 1001 I Street.

VICE-CHAIR COVELL: 1001 I Street, Hearing Room on, what, the second floor probably? Okay.

All right. Do I have a motion to adjourn?
Charlie, you got something relative to the next
meeting?

MR. PETERS: I was under the impression that
we'd have a public comment and I didn't realize we'd
passed that. I would just make a comment to you that
I've provided a handout to you and the current status,
hearsay is that Mr. Cruz has been rejected to get back
in business in California in the automotive repair
industry and we'll working hard on trying to correct
that, on trying to figure out what's going on there
and see if we can't get that corrected, but I wanted
the committee to be aware of that.

VICE-CHAIR COVELL: Oh, that's the gentleman
that you had —

MR. PETERS: Mr. Frank Cruz, and there is
significant documentation on that in a packet that you
gave to for the public comment section, which I didn't
know we had passed.

VICE-CHAIR COVELL: Yeah, we just finished
it. Thank you. Okay. I'll entertain a motion to
adjourn.

MEMBER DECOTA: I'll move.

MEMBER LAMARE: Second.

VICE-CHAIR COVELL: Any opposed? The
meeting is adjourned. Thank you.

(Hearing Adjourned)

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Dated May 28, 2004.

TERRI HARPER, Lead Transcriber
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